



The Family Office Leader's AI Playbook

Your guide to safe, governed, productive
AI adoption for single-family and multi-family offices

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CHAPTER 01

Executive Summary

43% of family offices have experienced a cyberattack in the past 24 months. In North America, it's 57%.

That statistic alone should change how every family office thinks about technology. But the threat isn't just external. Right now, members of your team are pasting trust documents, estate plans, tax strategies, and personal family data into free AI chatbots with no oversight, no audit trail, and no legal recourse. The data at risk isn't limited to financial records. It's prenuptial agreements, family member health information, personal security details, and communications that were never meant to leave the office.

Family offices sit at the center of a pressure cooker that's tightening from every direction:

- **Cybersecurity threats with skeleton crews.** The average family office has 0.5 IT professionals on staff. 31% lack a cyber incident response plan. 63% carry no cybersecurity insurance. 50% have no disaster recovery plan. These aren't theoretical gaps. They're open doors.
- **Technology underinvestment.** 89% of family offices feel under-invested in technology (Simple 2024). Operating costs run from \$1.1M for small offices to \$9.8M for very large ones, yet technology budgets haven't kept pace with the threats.
- **Staffing challenges.** 90%+ report difficulty recruiting staff, and nearly half struggle with retention. The talent pool isn't expanding fast enough, and the career opportunity at a family office remains unclear to many candidates.
- **Shadow AI with uniquely sensitive data.** 80%+ of workers use unapproved AI tools. 47% use personal accounts. When the data being exposed includes trust documents, estate plans, and personal family information, the consequences extend far beyond regulatory fines. They reach into family legacy and reputation.

The math is straightforward. At a blended rate of \$85/hr across a lean team of 8, saving just 30 minutes per person per day recovers \$102,000 per year from a single use case. Multiply that across the 7 functional areas covered in this playbook, and the productivity case compounds fast.

But productivity means nothing without protection. And for family offices, protection isn't about checking a compliance box. It's about honoring the fiduciary duty to safeguard the most personal, sensitive information that families entrust to your care.

Framework IT has spent more than 16 years managing technology for small and mid-sized businesses across the United States. We've watched every major technology shift from cloud migration to cybersecurity to unified communications. AI is the next one, and it's moving faster than anything that came before it. We built Managed Framework AI because we saw organizations struggling with the same set of problems: they knew AI mattered, but they didn't know where to start, who to trust, or how to do it without creating new risks.

This playbook gives you the starting point. Managed Framework AI gives you the partner to execute it.

CHAPTER 02

About the Author

Adam Barney

President and Managing Partner, Framework IT



Adam Barney is President and Managing Partner of Framework IT, a premier managed IT and telecommunications firm based in Chicago. He holds a Bachelor of Science in Finance and Business Administration from the University of Illinois Urbana-Champaign, where he graduated Summa Cum Laude. With more than 15 years of executive experience in managed services and telecommunications, Adam leads with a core philosophy that technology should be user-friendly and approachable, empowering businesses to thrive in their respective industries.

Since assuming the presidency in April 2022, Adam has led a team of over 40 professionals spanning sales, information technology, operations, marketing, human resources, and fulfillment. Under his leadership, Framework IT remains committed to its inverted-pyramid approach, which ensures clients' needs and aspirations are always the company's top priority.

"Clients' needs and aspirations are always the company's top priority."

Founded in 2008, Framework IT specializes in IT support, strategy, and cybersecurity for small and mid-sized businesses nationwide. The company's 30+ engineers act as an extension of client businesses, proactively preventing IT issues so teams have more time to focus on what truly matters. During his career, Adam has consulted over 1,000 companies, helping them transform their technology infrastructure.

In recent years, Adam has spearheaded the adoption of artificial intelligence in Framework IT's internal operations and service delivery, positioning the company at the forefront of AI-driven IT management. He has pioneered the launch of Managed Framework AI to help clients implement AI and AI-based automation in their own businesses, enabling organizations to unlock new levels of efficiency and competitive advantage. Adam is also a founding member of The Forge AI Alliance of MSPs, an alliance of managed service providers working to accelerate the adoption of AI and automation in their own companies and those of their clients.

Under Adam's leadership, Framework IT earned a spot on the Inc. 500 Fastest Growing Private Companies in America twice and the Inc. 5000 list at least 5 times over the past decade. The company ranked as one of the Best and Brightest Places to Work in Chicago for 5 consecutive years and one of the Best and Brightest Places to Work in the Nation twice in the last 5 years. Framework IT has maintained a BBB complaint-free record since 2008.

Adam's expertise has positioned him as a sought-after voice in managed services and business technology, as a speaker and panelist at industry events. His insights have appeared in the Harvard Business Review, the Washington Post, and Fox 32 Chicago.

CHAPTER 03

AI Is Here. The Question Is How You Use It.

What Is AI, Really?

Strip away the hype and AI is a category of software that can process language, recognize patterns, generate content, and make decisions based on data. The most visible form of AI today is the Large Language Model (LLM), the technology behind tools like ChatGPT, Claude, and Gemini. These models were trained on massive amounts of text and can understand context, follow instructions, and produce human-quality writing, analysis, and code.

But AI goes well beyond a chatbot. Modern AI platforms combine multiple capabilities into a single environment:

- **Conversational AI (Chat).** Draft investor communications, summarize fund performance reports, research tax implications across jurisdictions, analyze vendor contracts, and brainstorm solutions to operational challenges. This is the capability most people encounter first, and it's immediately useful for the daily work that fills a family office professional's calendar.
- **Workflow automation.** Connect AI to your existing systems (your portfolio management tools, email, document storage, accounting platforms, and more) and build automated processes that run on their own. No coding required. Automate capital call processing, quarterly reporting distribution, expense categorization, and recurring compliance checks with a visual, drag-and-drop builder.
- **AI agents.** Purpose-built AI assistants trained for specific tasks: analyzing trust documents, writing investment committee memos, creating compliance policies, evaluating vendors, and dozens more. Agents go beyond chat by following structured processes with built-in guardrails.
- **AI phone agents.** Voice-based AI that handles inbound and outbound calls, understands natural language, routes calls intelligently, and integrates with your business systems. Handle investor inquiries, schedule meetings across time zones, and field after-hours family office calls. Available around the clock.

Why This Matters Now

AI adoption in family offices tripled from 2024 to 2025, jumping from 12% to 33% (RBC/Campden Wealth). 80% of family offices have invested in AI or plan to. The offices building capability now will compound those gains over the next 2 to 3 years. Those that wait will face a steeper learning curve, higher costs, and peers who have already woven AI into their operations.

And your team is already stretched. 89% of family offices feel under-invested in technology. 44% cite technology and data complexity as their top challenge (Bank of America 2025). You're managing multi-entity structures, multi-custodian data, and multi-jurisdictional compliance with teams that average 0.5 IT professionals. The window for competitive advantage is open, but it's narrowing.

Consider the math. If AI saves each member of a team of 8 just 30 minutes per day on routine tasks, at a blended cost of \$85/hr, that single use case recovers **\$102,000 per year**. That's not a theoretical projection. It's what happens when you take a 30-minute daily task and hand it to a machine. Multiply that across 3, 5, or 7 use cases. The numbers get serious fast.

The Real Risk Is Not AI. It Is Unmanaged AI.

The biggest threat to your family office comes from staff already using AI without your knowledge, approval, or oversight.

This is called Shadow AI, and it's almost certainly happening in your office right now. 80%+ of workers use unapproved AI tools. 47% use personal accounts. And the data flowing into those tools is unlike anything in a typical business.

When a staff member pastes a trust document into ChatGPT, that data may train a public model. When someone uploads a family's tax return to an unvetted platform, there's no audit trail and no legal recourse.

The data at risk isn't just financial records. It's prenuptial agreements, family member medical information, tax strategies, personal security details, investment portfolios, and estate plans that took years and millions of dollars to construct. This is the most sensitive convergence of personal and financial data anywhere, and it's flowing into consumer-grade chatbots.

43%

of family offices experienced a cyberattack in past 24 months

3x

more family offices using AI in 2025 vs 2024

\$4.63M

average breach cost involving shadow AI

89%

of family offices feel under-invested in technology

Banning AI doesn't work, and it puts you further behind. 37% of family offices say escalating costs will push them toward more outsourcing. The real move is replacing unmanaged, ungoverned AI usage with a structured, partner-led program. Same productivity. Zero exposure.

Human-in-the-Loop: Not All AI Tasks Are Created Equal

AI output quality varies by task complexity and risk level. A useful framework for any family office:

- **Low-risk tasks** require minimal human oversight. Drafting internal meeting agendas, summarizing industry news, organizing research notes, formatting routine correspondence. If the output has a minor error, the consequence is minimal.
- **Medium-risk tasks** need review before the output leaves your office. Preparing quarterly performance reports, drafting investor updates, building presentation materials for family meetings, summarizing vendor proposals. A human should read every word before it goes out.

- **High-risk tasks** always require professional judgment. Trust document interpretation, tax strategy analysis, compliance filings, fiduciary decision support, anything that touches legal obligations or family wealth decisions. AI can accelerate the research and drafting. A qualified professional must own the final output.

The goal isn't to remove humans from the process. It's to remove the repetitive, time-consuming work that buries your team so they can focus on the judgment calls that actually require their expertise.

CHAPTER 04

What AI Can Do for Your Family Office

AI is a set of tools your team can use today, for work they're already doing, to get better results in less time. The key is knowing where to point it.

Important disclaimer: These are administrative and operational use cases. AI does not replace fiduciary judgment, legal counsel, tax advisory, or investment decision-making. Every output involving fiduciary responsibilities requires professional review.

Below is a practical look at how AI applies across the 7 core functional areas of a family office.

1. Investment Operations and Reporting

Investment operations consume enormous time in every family office. Data arrives from multiple custodians in different formats, quarterly reporting demands are constant, and the manual work of pulling numbers together often crowds out the analysis those numbers deserve.

- **Portfolio performance analysis.** Upload financial statements and get expert-level variance analysis, trend identification, anomaly detection, and performance attribution. AI processes the data so your team can focus on interpreting what it means.
- **P&L deep dives.** Break down profit and loss across entities, funds, or investment categories with structured analysis that surfaces the story behind the numbers.
- **Forecasting.** Build financial forecasts using multiple methodologies (trend, seasonal, driver-based) with confidence scoring and automatic health checks.
- **Scenario modeling.** Model allocation decisions, market impact scenarios, and capital deployment strategies with evidence-based probability assessments.
- **Capital call and fund statement processing.** Extract data from capital call notices and fund statements automatically, eliminating hours of manual PDF review and data entry.

2. Family Communications and Privacy Management

Family offices occupy a unique space where business communication and deeply personal correspondence overlap daily. Tone, discretion, and consistency matter enormously.

- **Investor and family updates.** Draft quarterly updates, annual reports, and ad-hoc communications in a consistent voice that's professional yet accessible to family members who aren't investment professionals.
- **Email sentiment analysis.** Before responding to a sensitive family communication, analyze tone and sentiment to calibrate the right response. Especially valuable when navigating inter-generational dynamics or charged topics.
- **Executive communication structure.** Structure outbound communications from principals and managing directors for clarity, professionalism, and consistency.
- **Recurring communication templates.** Build templates for distribution notices, meeting summaries, capital call announcements, and other recurring correspondence so the quality never dips.
- **Privacy-specific SOPs.** Create Standard Operating Procedures for handling family personal data, data classification protocols, and communication guidelines that protect confidentiality.

3. Compliance and Regulatory Reporting

Compliance in a family office means juggling fiduciary obligations, state privacy laws, cyber insurance requirements, and an expanding universe of AI-specific regulation. Lean teams need force multipliers.

- **IT security policies.** Create and update information security policies, acceptable use policies, and AI governance documentation that satisfy auditors and insurers.
- **Regulatory research.** Research regulatory requirements across jurisdictions, flag changes that affect your operations, and track emerging AI-specific regulations like Colorado SB 205.
- **Vendor security assessment.** Evaluate vendor security posture with structured frameworks, risk scoring, and side-by-side comparison analysis. Critical when every vendor relationship is a potential attack surface.
- **Business continuity planning.** Build and maintain business continuity and disaster recovery plans. With only 50% of family offices having a DR plan, this is a significant gap AI can help close.
- **Compliance documentation.** Generate audit-ready documentation for regulatory filings, compliance reviews, and insurance questionnaires.

4. Financial Administration and Tax Coordination

Family offices manage complex financial ecosystems spanning multiple entities, jurisdictions, and tax structures. The administrative burden is enormous, and errors are costly.

- **Financial statement analysis.** Upload statements across entities and get structured analysis with variance identification, trend tracking, and anomaly detection.
- **Budget forecasting.** Build multi-entity budgets and forecasts with scenario modeling that accounts for different tax strategies, distribution schedules, and capital deployment timelines.

- **Reconciliation support.** Compare general ledger balances to custodian statements, bank records, and subledgers. AI handles the matching so your team handles the exceptions.
- **Tax document organization.** Sort, categorize, and summarize the mountain of K-1s, tax returns, and supporting documents that arrive every year.
- **K-1 processing workflows.** Automate the extraction and organization of K-1 data across multiple partnerships and entities.

5. HR and Talent Management

With 90%+ of family offices reporting recruiting difficulty and nearly half struggling with retention, the people function can't be an afterthought. AI helps lean HR capabilities punch above their weight.

- **Specialized job descriptions.** Create job descriptions for roles unique to family offices (chief investment officer, family office controller, estate planning coordinator) that attract qualified candidates who understand the environment.
- **Candidate evaluation.** Analyze resumes against job requirements, build structured interview plans with competency-based questions, and compare candidates side by side.
- **Onboarding plans.** Generate comprehensive onboarding programs tailored to family office roles, including confidentiality training, system access protocols, and introduction to family dynamics and expectations.
- **Performance management.** Structure performance reviews, build professional development plans, and create performance improvement documentation when needed.
- **HR policy Q&A.** Answer employee questions about company policies using a grounded, citation-backed knowledge base. No more digging through handbooks.

6. Office Operations and Vendor Management

Family offices run on process, even when those processes live in someone's head rather than on paper. AI helps capture, document, and improve the operational backbone.

- **SOP creation.** Turn tribal knowledge into professional, audit-ready Standard Operating Procedures through structured interviews. Especially critical when your team of 8 has no redundancy for key roles.
- **Project planning.** Build comprehensive project plans for office moves, technology upgrades, system migrations, and new service implementations with work breakdown structures and milestone timelines.
- **Vendor evaluation frameworks.** Create structured evaluation criteria for investment managers, technology vendors, legal counsel, and service providers. Standardize a process that often runs on gut instinct.
- **RFP creation.** Generate professional RFPs for technology, insurance, audit, and other services with consistent structure and comprehensive requirements.
- **Knowledge base documentation.** Capture institutional knowledge in searchable, maintainable formats so it doesn't walk out the door when someone leaves.

- **Change management.** Develop communication and implementation plans for new systems, process changes, or organizational transitions.

7. Business Development (Multi-Family Offices)

For MFOs, growth depends on attracting and retaining client families. AI gives business development teams a significant edge without adding headcount.

- **Prospect research.** Compile detailed intelligence on potential client families, including wealth indicators, business interests, philanthropic activities, and connections. What used to take an afternoon now takes minutes.
- **Marketing content.** Blog posts, newsletters, and thought leadership content that positions the firm as a trusted authority in family office services.
- **LinkedIn presence.** Generate consistent, professional LinkedIn content that builds the firm's visibility among ultra-high-net-worth families and their advisors.
- **Presentation materials.** Build pitch decks and presentation content for prospective client meetings, conference panels, and industry events.
- **Brand reputation management.** Draft professional responses to reviews and monitor the firm's online presence.

Measuring AI ROI

Track AI value across 4 categories:

- **Time savings.** Hours recovered from manual reporting, document review, email drafting, data entry, and research. This is the easiest to measure and the fastest to realize. Track hours saved per workflow, per person, per week.
- **Error reduction.** Fewer data entry mistakes in portfolio reporting, consistent compliance documentation, standardized communications. Measure before-and-after error rates on targeted workflows.
- **Revenue acceleration (MFOs).** Faster client onboarding, more responsive service, better prospect research, quicker turnaround on proposals and presentations. Track time-to-onboard, response times, and win rates.
- **Cost avoidance.** Reduced breach risk from governed AI usage, lower cyber insurance premiums from documented governance, avoiding regulatory penalties, preventing the reputational damage of a data exposure. These are harder to quantify but often represent the largest dollar impact.

AI Agents: Your Digital Workforce

Beyond the Chatbot

Most people's first experience with AI is a chatbot: you type a question, you get an answer. That's useful, but it barely scratches the surface. The real power of enterprise AI lives in agents and automated workflows.

An AI agent is a purpose-built assistant designed for a specific task or process. Unlike a general chatbot, an agent comes pre-loaded with instructions, structure, guardrails, and domain expertise. It knows what questions to ask, what format to follow, what mistakes to watch for, and when to stop and ask for human input.

Think of the difference between handing a new analyst a blank screen and handing them a structured workflow with defined steps, data sources, and quality checks. Both can get the job done. Only one does it consistently, every time, without missing steps.

What Makes an Agent Different from a Chat?

Structure. An agent follows a defined process. An investment reporting agent, for example, doesn't just "summarize performance." It pulls data from defined sources, calculates variance against benchmarks, identifies the top contributors and detractors, flags anomalies, and produces a formatted report ready for review. The process runs the same way every time.

Guardrails. Agents include built-in quality controls. A compliance research agent will flag confidence levels, cite sources, and explicitly note when it's operating outside its reliable knowledge. A policy creation agent will follow regulatory frameworks and reference your existing documentation.

Consistency. When 5 different people on your team use the same agent, they get consistently structured outputs. The quality doesn't depend on who wrote the prompt or how experienced they are with AI.

Integration. Agents can connect to your business systems. They can read from your document repositories, pull data from email, write to your project management tools, and trigger actions in other applications, all without manual copy-and-paste.

Workflows: Agents That Run Themselves

If an agent is a skilled assistant, a workflow is a skilled assistant that works on autopilot. Workflows connect multiple steps into automated processes that run on a schedule, respond to triggers, or execute on demand.

Examples:

- A workflow that pulls quarterly fund statements from email, extracts performance data, calculates variance against prior periods, and generates a draft investor report ready for your review.
- A workflow that monitors regulatory feeds for compliance updates relevant to your jurisdictions and flags items requiring action, categorized by urgency and entity impact.
- A workflow that processes incoming vendor invoices, categorizes expenses by entity and cost center, and prepares monthly operating cost summaries for each family or fund.

You build workflows using a visual, drag-and-drop interface. No coding required. You describe what you want, connect the data sources, define the steps, and let it run.

The Framework IT Standard Library: 100+ Ready-to-Use Agents and Workflows

When you deploy Managed Framework AI, you don't start from scratch. Framework IT has built a library of over 100 agents and workflows, purpose-built for the types of work family offices do every day. These are tools we've designed, tested, and sanded down based on years of working with professional services organizations.

The library spans every core family office function:

- **Investment Operations and Analysis:** P&L Financial Analyst for portfolio performance deep dives, FP&A Forecasting Assistant for multi-methodology financial projections, Scenario Planning Strategist for allocation modeling, Deep Research Assistant for market and due diligence research, and Microsoft Excel Expert for the spreadsheet work that never ends.
- **Compliance and Governance:** IT Policy Creator and Editor for security and AI policies, Legal Research Analyst for regulatory questions, Business Continuity and Disaster Recovery Plan builder, and Vendor Assessment Assistant for structured vendor evaluation.
- **Communications and Reporting:** Email Sentiment Analyzer and Responder for calibrating tone before sending, Leader Email Structure Enforcer for consistent executive communications, and Presentation Content Creator for family meeting materials and investor decks.
- **HR and Talent:** Job Description Specialist for family office roles, Hiring Analyst Pro for candidate evaluation, Success Profile Builder for defining ideal-fit characteristics, Professional Development Plan and Performance Improvement Plan builders, and HR Company Policy Assistant for policy Q&A.
- **Operations and Administration:** SOP Writer for documenting processes, Project Plan Architect for managing initiatives, Knowledge Base Architect for capturing institutional knowledge, RFP Builder Agent for vendor procurement, and Change Management Advisor for system transitions.
- **Business Development (MFOs):** Prospect Research Agent for client family intelligence, Marketing Plan Expert for growth strategy, Blog Writing Guru for thought leadership, LinkedIn Viral Post Generator for social presence, and Review Response Generator for reputation management.
- **Productivity:** Prompt Coach for building AI skills, SMART Goal Setter for planning, Brainstorming Partner for creative problem-solving, and Devil's Advocate for stress-testing ideas and strategies.

These 100+ tools are available on day 1. They sit alongside 500+ community-built apps on the platform. Your team starts getting value immediately while you build toward custom solutions tailored to your specific processes.

The Major AI Models and Providers

One Platform, 69 Models

One of the most common mistakes organizations make when adopting AI is locking themselves into a single provider. They sign up for ChatGPT and assume they've "covered AI." In reality, different AI models have different strengths, and the landscape changes fast.

Managed Framework AI, powered by Hatz AI, gives your family office access to 69 Large Language Models (LLMs) from 6+ leading AI providers, all through a single secure platform. No separate subscriptions. No vendor lock-in. When a new model launches, it's added to the platform automatically.

The Major Providers

OpenAI builds the GPT family of models, including GPT-5, GPT-5.1, GPT-5.2, and GPT-5.4. These are the most widely recognized AI models and excel at general-purpose tasks including writing, analysis, coding, and creative work. GPT-5 Nano offers a cost-efficient option for high-volume, simpler tasks.

Anthropic builds the Claude family, including Claude 4.5 Sonnet, Claude 4 Opus, Claude 4.5 Opus, Claude Opus 4.6, and Claude Sonnet 4.6. Claude models are known for strong reasoning, nuanced analysis, and careful handling of complex instructions. They're particularly well-suited for long-form content, detailed research, and tasks that require following multi-step processes.

Google builds the Gemini family, including Gemini 2.5 Pro, Gemini 3 Pro, Gemini 3.1 Pro Preview, and Gemini Flash 3. Strong multi-modal capabilities and tight integration with Google's search infrastructure. Gemini 3.1 Flash is an excellent cost-efficient option.

Meta builds the Llama family of open-source models, including Llama 4 Maverick and Llama 4 Scout. Strong performance at lower cost.

xAI builds Grok 3 and Grok 4, high-capability models with strong reasoning and conversational abilities.

Amazon offers Nova Micro and Nova Lite, cost-efficient models for high-volume, routine tasks where speed matters more than peak capability.

Specialized models include Perplexity Sonar for real-time web search with cited sources, and advanced reasoning models for mathematical problems and multi-step logical reasoning.

How to Choose the Right Model

You don't need to become an AI model expert. The practical guidance is straightforward:

- **High-stakes work** (drafting investor communications, analyzing complex trust provisions, compliance documentation, fiduciary decision support): Use frontier models from OpenAI, Anthropic, or Google. They cost more per query but produce the highest quality output.

- **High-volume work** (categorizing vendor invoices, summarizing daily market news, formatting routine reports, organizing email): Use value models from Amazon, Meta, or the faster tiers from Google and OpenAI. They're significantly cheaper and fast.
- **Research with sources**: Use Perplexity Sonar when you need real-time web information with citations, whether it's regulatory changes, market conditions, or due diligence on potential investments.
- **Image generation**: The platform includes Nano Banana (powered by Gemini) for creating custom images from text descriptions. Generate quarterly report visualizations, presentation materials for family meetings, and marketing collateral for MFOs, all in both standard and premium quality tiers.

A good rule of thumb: start with a frontier model to get the quality right, then test whether a cheaper model can produce comparable results. Often it can, especially for simpler tasks.

Built-in Image Generation

Managed Framework AI includes Nano Banana, the platform's image generation capability. Describe what you want to see, and it creates a custom image in seconds. Two tiers are available:

- **Nano Banana 2** (Gemini 3.1 Flash Image): Fast, cost-efficient image generation with real-time web search knowledge, precision text rendering, and translation for marketing mockups.
- **Nano Banana Pro** (Gemini 3 Pro Image): Premium quality output with high-resolution options (up to 4K) and legible stylized text generation for infographics, menus, diagrams, and marketing assets.

No design skills or stock photo subscriptions required.

CHAPTER 07

Prompt Engineering: Getting Better Results from AI

The Skill That Multiplies Everything Else

AI is only as good as the instructions you give it. A vague prompt produces a vague answer. A specific, well-structured prompt produces output that's genuinely useful, sometimes startlingly so.

Prompt engineering is the practice of writing effective instructions for AI, and it's a communication skill more than a technical one. Like any communication skill, a few core principles go a long way.

The Fundamentals

Be specific about what you want. Instead of "Write me a report," try "Write a 2-paragraph quarterly update for the family summarizing Q1 portfolio performance. The tone should be professional but accessible to family members who are not investment professionals. Include the top 3 contributors to performance and any changes to asset allocation."

The more context you provide, the better the output. Include details about the audience, the purpose, the format, the tone, and any constraints.

Assign a role. AI performs better when you tell it who to be. “You are a senior wealth advisor with 20 years of experience serving ultra-high-net-worth families” produces dramatically different output than a bare request to “analyze this data.”

Provide examples. If you want output in a specific format or style, show the AI what good looks like. Paste in a previous investor update you liked, a capital call notice format you want replicated, or a compliance memo structure that matches your office’s standards. AI is excellent at pattern matching.

Break complex tasks into steps. Instead of asking AI to “evaluate this vendor,” walk it through the process: “First, summarize the vendor’s service offerings. Then assess their security certifications and compliance posture. Then evaluate their pricing structure against our requirements. Then identify 3 key risks and 3 key advantages. Finally, provide a recommendation with supporting rationale.” Step-by-step instructions produce step-by-step quality.

Iterate, don’t start over. Your first prompt rarely produces a perfect result. That’s normal. Build on the output by giving follow-up instructions: “Make the tone more direct.” “Add a section on tax implications.” “Shorten each paragraph to 2 sentences max.” Iteration is faster than starting from scratch.

Advanced Techniques

Chain of thought prompting. Ask AI to show its reasoning before giving a final answer. “Walk me through your analysis step by step before providing your recommendation.” This produces more thoughtful, accurate outputs and makes it easier to spot errors.

Few-shot prompting. Provide 2 or 3 examples of the input-output pattern you want, then ask AI to follow the pattern with new input. Powerful for standardizing formats across your team.

Constraint-based prompting. Tell AI what not to do. “Do not include specific portfolio values. Do not reference individual family members by name. Do not include information that has not been verified against source documents.” Constraints sharpen the output, especially when working with sensitive family data.

Template prompts. Build reusable prompt templates for tasks your team performs regularly: quarterly reporting, compliance policy updates, vendor evaluation. Templates are especially valuable in lean offices where multiple people cover the same function.

Prompt Libraries and Shared Resources

One of the most underused features of enterprise AI platforms is the ability to save and share prompts across your organization. When someone on your team writes a prompt that produces great results, it shouldn’t live in their head. Save it, share it, and let the whole team benefit.

Managed Framework AI supports shared prompt libraries and prompt templates, so your best prompts become organizational assets rather than individual tricks.

A Word on Hallucinations

AI models can generate information that sounds authoritative but is factually wrong. In the AI industry, these are called “hallucinations.” They happen because the model is predicting the most likely next words, not verifying facts against a database.

For family offices, hallucination risk carries specific consequences. Incorrect tax figures could lead to flawed strategy decisions. Wrong regulatory citations could create compliance exposure. Misinterpreted trust provisions could violate fiduciary obligations. Fabricated investment performance data could mislead family members or investors.

The mitigation is straightforward: treat AI output as a first draft, not a final answer, especially for anything that touches legal, tax, financial, or fiduciary responsibilities. Build review checkpoints into your workflows. Verify facts against source documents. Use AI to accelerate research and drafting, not to replace professional judgment.

Working with Long Documents

Modern AI models have context windows (the amount of text they can process at once) that range from modest to very large. This matters for family offices because many of the documents you work with are long: multi-year financial statements, complex trust agreements, lengthy regulatory filings, voluminous K-1 packages.

When working with long documents, break them into sections and process each separately if needed. Provide clear instructions about which sections matter most. Use models with larger context windows (Claude and Gemini both excel here) for lengthy source material.

CHAPTER 08

AI Security, Privacy, and Governance

Protecting Your Family Office in the Age of AI

Security is the foundation everything else sits on. Every other benefit of AI, the productivity gains, the cost savings, the operational advantages, means nothing if your data is exposed, your fiduciary position is compromised, or your family office faces a breach because someone pasted trust documents into an unsecured tool.

This chapter covers the governance framework your family office needs and the security architecture that Managed Framework AI provides.

The Shadow AI Problem in Family Offices

Shadow AI is almost certainly happening in your family office right now: staff using AI tools like ChatGPT, Gemini, Claude, and Copilot without your knowledge, approval, or oversight.

Family offices handle the most sensitive convergence of personal and financial data anywhere. Estate plans. Trust documents. Tax strategies. Prenuptial agreements. Personal health records. Family member communications. Investment portfolios. Personal security details. Donor-advised fund structures. Succession plans. And more.

When a staff member pastes a trust document into ChatGPT, that data may train a public model. When someone uploads a family's tax return to an unvetted tool, there's no audit trail and no legal recourse. When an analyst runs a sensitive family communication through a free translation tool, that correspondence enters systems nobody in your office controls.

The consequences aren't limited to regulatory fines. They're broken trust with the family. Reputational damage that can't be repaired. Potential exposure of deeply personal information to the public or to bad actors. For multi-family offices, a single data exposure could cascade across multiple client relationships.

The numbers paint a stark picture:

- **83%** of family offices are concerned about deepfake and impersonation campaigns targeting their families
- **Only 8%** partner with a Managed Security Services Provider (MSSP) for cybersecurity
- **93%** of cyberattacks start with phishing, and family offices are high-value targets
- **97%** of breached organizations lacked AI access controls
- **83%** of organizations lack technical controls to detect sensitive data uploads to AI
- Top data categories exposed through shadow AI: source code (30%), legal discourse (22.3%), M&A data (12.6%)

That last data point should give every family office pause. Legal discourse and M&A data are daily currency in family offices. Without governed AI, that data is leaking.

Privacy and Fiduciary Duty: The Compliance Centerpiece

For family offices, the compliance question isn't primarily about SEC or FINRA (though those apply where offices are registered as Registered Investment Advisors). The central obligation is fiduciary duty to protect family privacy. This is where AI governance becomes a non-negotiable.

Fiduciary duty has expanded to include the digital ecosystem. Courts and regulators increasingly view technology governance as part of the duty of care. A family office that fails to govern how AI tools process family data may be failing its fiduciary obligation, regardless of whether a breach actually occurs.

Not having AI governance documentation may itself be a fiduciary lapse. Limited Partners (LPs) and family principals increasingly ask for AI governance documentation. Auditors want to see it. Insurers want to see it. The absence of an answer is an answer, and it's not a good one.

State privacy laws apply to personal data processed by AI. The California Consumer Privacy Act (CCPA), Colorado Privacy Act, and similar state laws govern how personal information is collected, processed, and stored. When your AI tools process family members' personal data, these laws apply.

Colorado SB 205 (effective 2026) requires impact assessments for AI deployers in financial services. If your family office operates in or serves families in Colorado, you'll need documented AI impact assessments. This is the leading edge of a regulatory trend that will spread.

Cyber insurance carriers increasingly require AI governance documentation. When your carrier's renewal questionnaire asks how your organization governs AI and you can't produce a documented answer, you face coverage gaps or premium increases. 63% of family offices already lack cybersecurity insurance. Don't give carriers a reason to deny claims.

SEC/FINRA requirements apply where applicable. Family offices registered as RIAs face additional regulatory obligations around technology governance, data retention, and audit trails.

Compliance-to-Platform Mapping

Requirement	How Managed Framework AI Addresses It
Fiduciary Duty of Care	SOC 2 certified, zero data training, complete audit trails
Data Privacy (State Laws)	AES-256 encryption, data isolation, DPA available
Cyber Insurance Requirements	Full audit logs, access controls, incident response documentation
SEC/FINRA (if registered RIA)	Role-based access, audit trails, data retention controls
Vendor Due Diligence	SOC 2 Type II report available under NDA, third-party penetration testing
Family Data Confidentiality	Zero data training guarantee, logical data isolation, BAA available
Regulatory Reporting	Searchable usage logs, governance reporting capability

The 6 Pillars of an AI Governance Framework

1. Policy. A written AI use policy defining approved tools, prohibited data types, and acceptable use cases. Without a policy, you can't enforce your position or defend it legally. This doesn't need to be a 50-page document. It needs to exist, be communicated, and be enforceable.

2. Access Control. Role-based permissions ensuring the right people have access to the right AI capabilities. Not everyone should have the same access. A well-designed permission structure prevents confusion, limits risk, and ensures appropriate guardrails from day 1.

3. Data Protection. Contractual zero-data-training guarantees and Data Processing Agreements (DPAs) with every AI provider. If it isn't in writing, it doesn't exist. Your platform should guarantee that your data is never used to train any public AI model, full stop.

4. Auditability. Full, searchable logs of who used AI, what prompts were entered, and what was returned. This is required by most compliance frameworks and increasingly by cyber insurers. If you can't produce an AI governance report when asked, you have a gap.

5. Training. Ongoing education so your policies are understood and followed, not quietly worked around by well-meaning employees. A policy memo doesn't count. Real training means structured onboarding, recurring support sessions, and a culture where people know the rules and the reasons behind them.

6. Family Data Privacy. This is unique to family offices and goes beyond general data protection. It requires specific controls for personal family information:

- Classification of family data vs. business/operational data
- Restricted access to personal information (estate plans, health records, family communications)
- Protocols for handling estate, trust, and health-related data in AI tools
- Family consent frameworks for data processing
- Separate privacy policies for personal family information vs. business data
- Staff training specific to privacy obligations for family data
- Clear rules about which data categories are completely prohibited from AI processing

This 6th pillar is what separates family office AI governance from general enterprise governance. The data you protect isn't just business data. It's the most intimate details of families who have entrusted their legacy to your care.

The Security Architecture Behind Managed Framework AI

Managed Framework AI is built on Hatz AI, a platform that has achieved SOC 2 Type I, SOC 2 Type II, and SOC 3 certifications. Independent auditors have verified enterprise-grade security controls across infrastructure, application security, access management, encryption, monitoring, and incident response.

Your data is never used for AI model training. Contractual agreements with all AI model providers explicitly prohibit training on your data. When you submit a prompt, your data is processed and returned. It isn't stored by the provider. It can't improve their models or appear in responses to other users. This is a contractual guarantee, not a policy suggestion.

Encryption. AES-256 encryption at rest (the same standard used by financial institutions and government agencies). TLS 1.2+ encryption in transit. Keys managed separately and rotated regularly.

Data isolation. Each organization's data is logically isolated. Your data is never commingled with other clients' data. Administrators have full visibility into usage, workflows, credit consumption, and audit trails. For multi-family offices, this means family-specific data stays contained.

Compliance. The platform supports compliance with GDPR, CCPA, HIPAA (with Business Associate Agreement), and SOX. DPAs and BAAs are available upon request. The BAA is particularly relevant for family offices that handle personal health information. The certifications satisfy most enterprise security questionnaires and provide evidence of due diligence for auditors.

SSO/SAML/SCIM integration. Your existing identity management controls extend to the AI platform. No separate credentials to manage.

58+ native integrations. Connect securely to your existing business systems plus thousands more through Zapier.

24/7 monitoring. Intrusion detection and anomaly detection, backed by an incident response plan with immediate containment, notification, root cause analysis, and remediation. Regular third-party penetration testing validates the security posture.

CHAPTER 09

Your AI Adoption Roadmap: The Crawl-Walk-Run Framework

From Zero to Measurable ROI

The family offices that succeed with AI follow a deliberate methodology, one that meets teams where they are, builds confidence through early wins, and progressively expands capability.

Gartner research shows 80% of AI licenses go unused without structured adoption support. The Crawl-Walk-Run framework makes sure your investment produces results, not shelfware.

Why Crawl-Walk-Run?

Family offices that rush AI deployments encounter the same problems: low adoption, confused users, security concerns, and an inability to prove value. Crawl-Walk-Run addresses each by design:

- **Reduces risk.** Resolve governance and security questions before AI reaches a broad audience.
- **Builds confidence.** Give people time to learn the basics before asking them to do something complex.
- **Delivers measurable wins early.** Target a high-value, low-complexity pilot workflow to create tangible proof of value.
- **Creates internal expertise.** Each phase develops champions and power users.
- **Scales sustainably.** By the Run phase, the governance, cultural habits, and technical skills are already in place.

Phase 1: Crawl — Building the Foundation

Timeline: Weeks 1–4

The Crawl phase is about laying the groundwork. Before anyone builds a workflow or automates a process, the family office needs to answer fundamental questions: Who is allowed to use AI, and under what rules? How will access be governed? How will family data be classified and protected?

- 1. Establish an AI Acceptable Use Policy.** Every AI journey begins with governance. Before the platform is turned on for a single user, create or update a formal AI Acceptable Use Policy covering data handling, privacy, access controls, compliance requirements, and the boundaries of acceptable AI use.
- 2. Classify family data categories.** Define what falls into each bucket: family personal data, financial data, health-related data, legal documents, and operational data. Determine which categories are permitted for AI processing and which are restricted or prohibited. This step is non-negotiable for family offices.
- 3. Execute a Data Processing Agreement (DPA) with your AI platform provider.** Formalize how your data will be handled, stored, and protected. This is a foundational compliance step that auditors and insurers will look for.
- 4. Review fiduciary obligations related to AI tool usage.** Consult with legal counsel on how AI governance fits within your existing fiduciary framework. Document your position. This creates the paper trail that protects both the office and the families you serve.
- 5. Define roles, permissions, and your user structure.** Define who will use the AI platform and what they'll be able to do. In a family office of 5–10 people, role-based access is still critical. Not everyone needs the same capabilities.
- 6. Onboard users and deploy general-purpose AI applications.** Bring users onto the platform through a controlled process. Deploy a curated set of general-purpose applications: writing assistants, summarization utilities, brainstorming aids, and research helpers.
- 7. Identify and develop AI champions.** Select 1–2 enthusiastic, influential team members and invest in their skills early. In a lean office, even a single strong champion can carry adoption forward.
- 8. Establish an AI-forward culture from leadership.** Culture change doesn't happen by memo. Principals, CIOs, and managing directors must visibly use the tools themselves.
- 9. Launch recurring support sessions.** This is where Framework IT's Office Hours come in. Recurring, low-pressure sessions where users can ask questions, get hands-on coaching, and troubleshoot real work.

By the end of Crawl: Governance framework in place, family data classified, DPA executed, fiduciary position documented, users onboarded and exploring, champions developing expertise.

Phase 2: Walk — Guided Exploration and First Wins

Timeline: Months 1–4

The Walk phase is where AI moves from curiosity to capability. The office is ready to tackle real workflows with guidance.

- 1. Review and deploy pre-built applications.** Review the library of available agents and workflows (including Framework IT's 100+ Standard Apps) and deploy the ones relevant to your office. The Compliance Check agent, SOP Writer, and IT Policy Creator are strong starting points for family offices.
- 2. Customize applications for your office.** Schedule working sessions to walk through how each tool would be used in practice: what inputs it needs, who will use it, what customization is required, and what outcomes you expect.
- 3. Identify your first pilot workflow.** Work with your champions and Framework IT team to select the first workflow for AI automation. Good family office pilots include automated quarterly reporting, vendor assessment workflows, or compliance policy generation. The ideal pilot is high value, low complexity, visible, and measurable.
- 4. Develop the AI solution with guidance.** Build the pilot solution as a collaborative effort. Work with your champions and Framework IT to develop the prompt, workflow, or agent. The people involved in building the pilot develop skills they carry into future projects.
- 5. Test with a controlled pilot group.** Deploy the solution to a small group first. In a family office, this might be 2–3 team members working the same function.
- 6. Measure ROI and document your first win.** After the pilot has run long enough, measure results against your baseline. How much time was saved? How many errors were avoided? Share the results internally. This first documented win turns skeptics into supporters.
- 7. Maintain a living use case repository.** Capture every AI use case in a structured document: the workflow targeted, the solution built, the results achieved, the lessons learned.

By the end of Walk: Specialized AI applications deployed, first pilot automation completed and measured, ROI documented, and a repeatable process established for future use cases.

Phase 3: Run — Scaling, Independence, and Continuous Improvement

Timeline: Months 4–6+

The Run phase marks the transition from guided experimentation to organizational self-sufficiency. The guardrails are still in place, but your team is driving.

- 1. Develop power users.** In a lean office, even 2–3 power users create a distributed support network. Invest in their development through advanced training and deeper platform access.

- 2. Explore custom integrations.** Connect AI to your portfolio management systems, custodian platforms, accounting software, and document repositories. These integrations unlock dramatically more powerful workflows.
- 3. Build custom AI applications.** Your team is now capable of building custom agents that solve challenges unique to your office. Multi-entity reporting automation. Cross-jurisdictional compliance monitoring. Custom investment analysis agents tailored to your specific strategies and structures.
- 4. Enable proactive workflow discovery.** Teams should be identifying automation opportunities on their own. The shift from “tell me what to automate” to “here’s what we want to automate next” is one of the clearest signs of a mature AI culture.
- 5. Execute broader deployments.** For MFOs, roll out successful solutions across multiple client service teams. For SFOs, extend AI capabilities to additional functional areas.
- 6. Track ongoing value and adoption metrics.** Use platform analytics and your use case repository to monitor adoption rates, time savings, cost reductions, and user satisfaction.
- 7. Establish a continuous improvement loop.** Create a recurring forum where leadership and power users review metrics, prioritize new use cases, address governance updates, and plan training.

By the end of Run (which never truly ends): Your office is building and deploying AI solutions independently, tracking measurable value across multiple functions, and continuously identifying new opportunities. AI is no longer a project. It’s part of how you work.

The People Side

Technology adoption in a family office has a dynamic that’s different from a 200-person company. You’re dealing with:

- **Family members who may resist change.** Principals and family members who interact with the office may have strong feelings about how their data is handled and how technology is used. Communicate early, communicate clearly, and let them see the governance framework before they encounter the tools.
- **Staff who serve multiple families (MFOs).** Multi-family office professionals need to understand how data isolation works across client families. Train them on platform controls that prevent cross-contamination of family data.
- **The challenge of building AI culture in a 5–10 person office.** You don’t have the luxury of a 20-person pilot group. Every person matters. Focus on creating 1–2 enthusiastic champions and let their results pull others in.

Data Readiness

Before AI can deliver value, your data needs to be accessible and organized. For family offices, this means:

- **Investment data across multiple custodians.** Can you consolidate reporting, or does it require manual aggregation? AI can automate aggregation, but it needs to know where the data lives.
- **Trust documents and estate plans.** Are they digitized and searchable, or locked in scanned PDFs? OCR and document processing tools can unlock these for AI analysis.
- **Tax records.** Multi-year, multi-entity, multi-jurisdiction tax documentation needs structure before AI can work with it effectively.
- **Personal records.** Family health information, personal correspondence, and security details require the strongest classification and access controls.
- **Vendor contracts.** Service agreements, insurance policies, and advisor engagements should be organized for AI-powered review and tracking.

CHAPTER 10

Managed Framework AI: The Complete AI Adoption Program

Not a Software Subscription. A Managed AI Adoption Program.

Managed Framework AI is a full managed AI adoption program that combines the most powerful multi-model AI platform available with a proven adoption methodology, structured training, and the ongoing guided support that turns platform access into measurable outcomes.

You get enterprise-grade tools, governance, and a named Framework IT team accountable for your results.

Three Pillars: Safe. Governed. Productive.

Safe. Protecting the family's most sensitive personal and financial data. We help family offices adopt AI in a way that reduces risk around data exposure, inappropriate use, and policy misalignment, so that principals can approve AI with confidence and staff can use it without creating invisible liability. Your families trust you with their most intimate information. We help you honor that trust.

Governed. A documented answer when auditors, insurers, or family principals ask how AI is managed. We give leadership and IT greater visibility, control, standards, and guardrails so AI use is managed intentionally rather than emerging chaotically. When a cyber insurance carrier asks "How is AI governed here?" your office has a defensible answer. When a family principal asks "How is my data protected?" you have a documented framework.

Productive. Turning lean teams into high-output operations without adding headcount. We turn AI into practical outcomes through enablement, use-case alignment, workflow improvement, and measurable gains in efficiency. Your team of 8 starts producing work that used to require twice the headcount.

What Is Included

Access to 69 AI Models. ChatGPT, Claude, Gemini, Llama, and more. Never locked into one vendor. Automatic access to new models as they're released.

Unlimited Users. No per-seat pricing surprises. Every team member included. For lean family offices, this means your entire staff is covered without the math of calculating per-seat costs against your headcount.

100+ Framework IT Standard Agents and Workflows. Purpose-built tools covering investment operations, compliance, communications, HR, operations, and business development. Ready on day 1, in addition to 500+ community-built apps on the platform.

No-Code Workflow Builder. Build powerful automations with drag-and-drop. 58+ native integrations plus thousands more through Zapier. Zero developers needed.

AI Phone Agent (ADEL). Voice AI for call handling: consistent, governed, available around the clock. Handle investor inquiries, scheduling, and after-hours calls.

AI Champion Certification. A structured training curriculum (approximately 90 minutes) that takes your team from first-time users to confident power users.

SOC 2 Type I and II Certified. CPA-audited over 6+ months. Independently certified. Your data is never used to train any public AI model. Contractually guaranteed. This certification is the documented proof of due diligence that satisfies fiduciary obligations when auditors review your technology governance.

SSO/SAML/SCIM. Enterprise identity management integration so your existing access controls extend to the AI platform.

DPA and BAA Available. Data Processing Agreement for privacy compliance. Business Associate Agreement for health-related family data. Ready when you need them.

Office Hours: 3 Sessions Per Week

Most AI platforms hand you a login and wish you luck. Managed Framework AI includes 3 live Office Hours sessions per week, and they're one of the most valuable parts of the entire program.

Office Hours are working sessions, facilitated by Framework IT's AI team, where your people get hands-on help with real work. The format rotates across 3 types:

Live Coaching and Q&A. Bring your questions. Get answers. Whether you're struggling with a prompt, trying to figure out which model to use for trust document analysis, or wondering how to automate quarterly reporting, our team works through it with you in real time.

Use Case Workshops. Structured sessions where we build specific workflows, agents, or automations together. Family office workshop topics include privacy policy development, investment reporting

workflows, vendor assessment automation, compliance documentation, and family communication templates. Your team can bring their own use cases and we'll help architect and build custom solutions right in the session.

Show and Tell and Peer Learning. Users share wins, discoveries, tips, and creative applications with each other, facilitated by our team. Someone shows how they automated capital call data extraction. Someone shares a prompt that generates 80%-complete investor updates. The collective intelligence of the group accelerates everyone's learning.

Monthly AI Strategic Business Review (SBR)

Every month, your Framework IT team conducts a Strategic Business Review (SBR) dedicated to your AI program. This is a structured strategic session designed to keep your AI adoption on track.

During each SBR, we:

- **Review adoption metrics.** Active users, usage patterns, credit consumption, and engagement trends.
- **Assess progress against your AI adoption roadmap.** Where are you in the Crawl-Walk-Run framework? What milestones have been hit?
- **Identify new use cases and automation opportunities.** Based on what your team has learned, what new workflows should be built?
- **Update and refine your AI roadmap.** Your roadmap is a living plan that evolves as your office's AI maturity grows.
- **Plan training and enablement activities.** What Office Hours topics should we prioritize? Are there specific team members who need targeted support?

Accelerator Plans: Go Deeper, Build Faster

For family offices that want to accelerate their AI maturity, Framework IT offers Accelerator Plans: packages of consulting hours where our AI team works directly with yours.

Typical Accelerator Plan engagements for family offices include:

- **Custom investment reporting agents.** We design and build AI agents that pull from your specific custodians, apply your performance calculations, and generate reports in your format.
- **Multi-entity financial consolidation automation.** Workflows that aggregate data across trusts, LLCs, partnerships, and holding companies into consolidated views.
- **Family communication templates.** Custom agents trained on your office's voice and format for investor updates, distribution notices, and family correspondence.
- **Compliance automation.** Agents that monitor regulatory changes, update policy documentation, and prepare audit-ready reports.
- **Department-specific rollouts.** We work with a specific function to identify their highest-value AI use cases, build the solutions, train the team, and measure results.

The goal isn't permanent dependency on consulting hours. It's getting your team to the point where they identify opportunities and deploy solutions independently.

How Managed Framework AI Compares

Feature	Microsoft Copilot	ChatGPT Team	Managed Framework AI
Users Included	25 seats	25 seats	Unlimited
AI Models	1 model	1 model	69 models
Adoption Support	None included	None included	Crawl-Walk-Run framework
Data Training	May use your data	May use your data	Zero training, guaranteed
Contract	Annual	Annual	Month-to-month available
Dedicated IT Partner	No	No	Named Framework IT team
Ongoing Enablement	No	No	Office Hours 3x/week, monthly SBR
Pre-Built Agents	Limited	Limited	100+ Framework IT + 500+ community
Family Data Privacy Controls	No	No	Data classification, zero training, isolation
Fiduciary Compliance Documentation	No	No	Audit trails, governance reporting, DPA/BAA

The Transformation

Before Managed Framework AI: Staff are using personal ChatGPT accounts to analyze trust documents and draft investor communications. Nobody knows what family data has been uploaded to free tools. The cyber insurance renewal questionnaire asks about AI governance and there's no documented answer. Your team of 8 is buried in manual reporting and data entry, with no bandwidth for the strategic work the family expects. There's quiet anxiety about what's being exposed and no clear path forward.

After Managed Framework AI: Every AI interaction runs through a governed platform with complete audit trails. Privacy policies are specific to family data, with clear classification of what can and can't be processed through AI tools. Documented AI governance satisfies insurers, auditors, and family principals. Your lean team is producing work that used to require twice the headcount. Quarterly reports that took 2 days now take 2 hours. Compliance documentation that lived in someone's head is now captured, maintained, and audit-ready. The anxiety is gone, replaced by confidence and momentum.

The platform is Hatz AI. The methodology is Crawl-Walk-Run. The difference is Framework IT.

CHAPTER 11

AI Governance Readiness Checklist

Is Your Family Office Ready?

Use this checklist to assess where you stand today. If you can't confidently check every box, you have gaps that need to be addressed before scaling AI adoption. Score yourself honestly. Most family offices start with fewer than half of these checked, and that's normal.

Policy and Leadership

- We have a written AI use policy that defines approved tools and prohibited data types
- Our leadership team (principals, managing directors, CIO) has formally endorsed our AI strategy
- We have designated an internal AI champion to lead adoption
- Our AI policy has been communicated to all staff
- Staff have acknowledged receipt and understanding of the AI policy
- Our AI policy is reviewed and updated at least annually
- Leadership actively uses AI tools and visibly supports the initiative

Privacy and Confidentiality Protection

- We have classified our data into categories (family personal, financial, health, legal, operational)
- We have defined which data categories are prohibited from AI processing
- We have protocols for handling estate, trust, and health-related family data in AI tools
- Family principals have been informed about AI usage and data handling practices
- We have a family data privacy policy separate from our general IT security policy
- Staff handling family personal data have received privacy-specific AI training
- We have documented consent frameworks for processing personal family information

Data Protection and Security

- We have contractual zero-data-training guarantees from our AI providers
- We know which AI tools our staff are currently using (including free tools)
- Sensitive data categories (family personal data, estate plans, trust documents, health records) are defined as off-limits for public AI
- We have Data Processing Agreements in place with every AI vendor
- We have a Business Associate Agreement in place if we handle family health information
- We have a defined process for classifying data sensitivity levels for AI use
- Staff know which types of data they can and cannot enter into AI tools

Access Control and Permissions

- AI access is role-based, not everyone has the same permissions
- We maintain searchable logs of AI usage (who, what, when)
- We can produce an AI governance report if asked by an auditor, insurer, or family principal
- We have a process for reviewing and approving new AI tools before deployment
- User permissions are reviewed and updated when roles change
- Administrative access is restricted to authorized personnel only
- We have a defined offboarding process that includes revoking AI platform access
- For MFOs: data isolation controls prevent cross-contamination between client families

Training and Adoption

- Our team has received formal AI training, not just a policy memo
- We have shared prompt templates and best practices documented
- We are tracking AI adoption metrics (usage, time saved, ROI)
- We have a structured plan to expand AI usage over the next 6 months
- New staff receive AI onboarding as part of their standard orientation
- We have identified and developed AI champions within the office
- We maintain a use case repository documenting AI wins and lessons learned
- Our team has access to recurring support (Office Hours, coaching, help desk)

Compliance and Insurance

- We can answer “How does your family office govern AI?” with a documented response
- Our cyber insurance provider is aware of our AI usage and governance framework
- Our AI governance aligns with our fiduciary obligations
- We have reviewed applicable state privacy laws (CCPA, Colorado Privacy Act, etc.) for AI implications
- We have assessed whether emerging AI regulations (Colorado SB 205, etc.) apply to our operations
- Our vendor management program includes AI-specific evaluation criteria
- We have documented how AI governance supports our fiduciary duty of care

Workflow and Automation Maturity

- We have identified our top 3 to 5 high-value AI use cases
- We have documented baseline metrics (time, cost, error rates) for at least 1 target workflow
- We have completed at least 1 AI pilot and measured results
- We have a pipeline of future automation opportunities
- We have mapped which pre-built agents and workflows align with our highest-value use cases
- Our AI automations include human review checkpoints for fiduciary-impacting outputs

Governance and Continuous Improvement

- We have a recurring forum for AI governance review
- We review AI adoption metrics and ROI data at least monthly
- We have a process for prioritizing new AI use cases based on business impact
- We regularly share AI wins and best practices across the office
- We have a feedback loop between users and the team managing the AI program
- Our AI roadmap is a living document that is updated based on progress and new opportunities

How to Read Your Results

0–15 boxes checked: You're in the early stages. Most family offices start here, and there's nothing wrong with that. The important thing is to start building the foundation. The Crawl phase of the Crawl-Walk-Run framework is designed exactly for this.

16–30 boxes checked: You have meaningful progress but significant gaps remain. You're likely ready to move into the Walk phase, tackling targeted use cases while shoring up governance and training.

31–40 boxes checked: Your family office has a mature AI governance posture. You're in or approaching the Run phase, ready to scale, build custom solutions, and drive continuous improvement.

41+ boxes checked: You're operating at a high level of AI maturity. Focus on continuous improvement, expanding to new functions, and deepening the complexity of your automations.

If you have unchecked boxes, you aren't alone. Most family offices do. Managed Framework AI was built to help you check every one of them. As a managed AI adoption program, our team handles the platform, the governance framework, the training, and the ongoing enablement so you can adopt AI with confidence, with a named partner who stays accountable for results.

CHAPTER 12

Next Steps

You have the playbook. The question now is what you do with it.

If your family office is ready to move from unmanaged AI usage to a structured, governed, productive AI program, here's how to start:

Request a consultation. We'll walk through where your family office stands today, identify the highest-value opportunities, and show you exactly how Managed Framework AI works. We bring a privacy-first approach built for the unique sensitivity of family office data, an understanding of fiduciary obligations, and a track record of helping lean professional teams get more done with less. No pressure, no pitch deck. Just a conversation about what makes sense for your office.

[Book a Consultation](#)

Take the readiness checklist to your leadership team. Use it to start an internal conversation about AI governance, data privacy, and opportunity. The checklist alone is often enough to surface gaps that nobody was talking about, especially around shadow AI and family data protection.

Stop the bleeding on shadow AI. Every day your staff use unmanaged AI tools is another day family data is at risk. Trust documents, estate plans, personal health information, and financial strategies may be sitting in systems nobody in your office controls. Getting onto a governed platform is the single highest-impact step you can take, and it doesn't require a long procurement cycle.

Framework IT has spent more than 16 years helping small and mid-sized businesses get technology right. AI is the next chapter, and we're here to help you write it.

Framework IT

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