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# The Financial Services Leader's AI Playbook

Your guide to safe, governed, productive  
AI adoption for financial services firms

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**CHAPTER 01**

# Executive Summary

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## What You'll Learn

- ▢ Why financial services firms face unique AI adoption pressures
- ▢ The fiduciary, regulatory, and compliance risks of unmanaged AI
- ▢ How this playbook will help your firm adopt AI safely and productively

AI is already inside your firm. Your team is already using it, whether you know it or not.

According to IBM's 2025 research, 56% of employees use unauthorized AI tools at work, and financial services firms show the widest gap between awareness and action: 29% report high concern about data leaks, but only 16% have implemented technical controls. Your analysts are pasting portfolio models into free chatbots. Your associates are running due diligence summaries through consumer platforms with no data protection guarantees. Your compliance teams have no visibility into any of it. The tools are powerful. The risk is enormous. And the gap between "using AI" and "using AI well" is where most firms get stuck.

This playbook exists to close that gap.

Over the following chapters, you'll learn what AI actually is and what it can do for your firm today, not in some theoretical future. You'll see how asset management firms, financial services companies, and investment banks are using AI to reclaim hours, reduce errors, and build competitive advantages that compound over time. You'll understand the security and governance questions you need to answer before scaling AI adoption, and you'll walk away with a clear, phased roadmap for getting there.

## The Pressures Are Stacking Up

**Regulatory complexity is accelerating.** The SEC's 2026 examination priorities explicitly include AI tool usage and automated advisory services. FINRA's 2026 Regulatory Oversight Report added a dedicated Generative AI section for the first time. Your firm's use of AI tools, whether approved or not, is now part of the regulatory conversation.

**Fee compression is squeezing margins.** Asset management firms are watching revenue yields erode on traditional products. Operating costs have climbed as firms have added headcount (product specialists up 60%, operations staff up 30% since 2020) rather than rethinking processes. AI-driven efficiency is no longer optional; it's how you protect your margins.

**Talent is harder to find and keep.** Over 300,000 accountants and auditors have left their jobs in the last 3 years, a 17% decline. Only 43% of banking and capital markets CEOs plan to add staff. The firms that use AI to multiply the impact of the people they have will outperform those still trying to hire their way out of the problem.

**Shadow AI exposure is a fiduciary risk.** When an analyst pastes client portfolio data into an ungoverned chatbot, that's not just a data security issue. It's a potential breach of fiduciary duty, a recordkeeping

violation under FINRA Rule 4511, and a Regulation S-P exposure. The average data breach in financial services now costs \$6.08 million. Shadow AI incidents add another \$670,000 on top of that.

## The Math

If AI saves a single analyst or associate 45 minutes per day on research, reporting, and administrative tasks, that's 15 hours per month, or 180 hours per year. At a blended cost of \$85 per hour for a financial services professional, that's \$15,300 in recovered productivity from a single person. Multiply that across a team of 15, and you're looking at \$229,500 annually, from a single use case.

Now multiply that across 5 or 10 use cases. The numbers compound fast.

This playbook is a financial services leader's guide to making AI work inside your firm: safely, with structure, with regulatory awareness, and with measurable results.

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 our clients, including Registered Investment Advisors (RIAs), asset managers, family offices, and financial services firms, 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 compliance risks.

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

**CHAPTER 02**

# About the Author

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**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 You'll Learn

- ▢ What AI actually is and the 4 capabilities that matter for financial services
- ▢ Why the competitive window is narrowing and the cost of waiting
- ▢ How Shadow AI creates fiduciary, regulatory, and data security exposure
- ▢ The human-in-the-loop principle for financial services professionals

## 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:

- **Conversational AI (Chat).** Ask questions, draft client communications, summarize research reports, analyze financial statements, brainstorm investment theses, and get research-backed answers in seconds.
- **Workflow automation.** Connect AI to your existing business systems (your CRM, email, compliance tools, file storage, and more) and build automated processes that run on their own. No coding required.
- **AI agents.** Purpose-built AI assistants trained for specific tasks: analyzing P&L statements, coaching sales calls, generating compliance documentation, drafting investor communications, and dozens more.
- **AI phone agents.** Voice-based AI that handles inbound and outbound calls, understands natural language, routes calls intelligently, and integrates with your business systems. Available around the clock.

## Why This Matters Now

The window for competitive advantage is open, but it's narrowing. 94% of financial services firms are already piloting or deploying generative AI within core business functions. 58% directly attribute revenue growth to AI. 91% of asset managers are using or planning to use AI for portfolio construction and research, up from 55% in 2023.

The pressures on financial services firms aren't easing:

- Fee compression continues to squeeze margins across asset management, pushing firms to find efficiency gains that don't require adding headcount.
- Regulatory complexity is growing. The SEC and FINRA are explicitly examining how firms use AI tools, and your governance framework (or lack of one) is now part of that conversation.
- Talent acquisition remains a grind. Over 300,000 accountants and auditors have left the profession in the last 3 years. Only 43% of banking and capital markets CEOs plan to add staff.
- Client expectations keep rising. Investors expect faster reporting, more personalized communications, and deeper insights, all delivered by teams that aren't getting bigger.

Consider the math. If AI saves a single analyst 45 minutes per day on routine research, data gathering, and reporting tasks, that's 15 hours per month, or 180 hours per year. Multiply that across a team of 15, and you're looking at 2,700 hours recovered annually. At a blended cost of \$85 per hour, that's \$229,500 in productivity gains from a single use case.

Now multiply that across 5 or 10 use cases. The numbers get serious fast.

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

The biggest threat to your firm doesn't come from AI itself. It comes from your team already using AI without your knowledge, approval, or oversight.

This is called Shadow AI, and it's happening in most financial services firms today. Analysts are copying portfolio data into free chatbots. Associates are running client financial models through consumer tools with no data protection guarantees. Compliance teams are using unvetted platforms to draft regulatory filings.

The intentions are good. The risk is enormous, and in financial services, it hits differently.

When someone pastes a client's portfolio holdings, a proprietary trading strategy, or a confidential deal memo into a free AI tool, that data may be used to train the model. There's no visibility, no audit trail, and no legal recourse. In a FINRA-regulated environment, that's not just a data security issue. It's a potential violation of Regulation S-P, FINRA Rule 4511, and the fiduciary duty of care and loyalty owed to every client.

**94%**of financial services firms  
piloting or deploying AI**\$6.08M**average breach cost in  
financial services**56%**of employees use  
unauthorized AI tools**\$670K**additional breach cost from  
shadow AI

Banning AI doesn't work, and it puts you further behind. The real move is replacing unmanaged, ungoverned AI usage with a structured, partner-led program. Same productivity. Zero fiduciary exposure.

## The Human-in-the-Loop Principle

AI is a tool that makes your team faster and more capable. It is not a replacement for professional judgment, fiduciary responsibility, or regulatory compliance. The right framework keeps humans in control at every level:

- **Low risk:** Internal research summaries, meeting preparation, first-draft communications, brainstorming investment themes. AI can handle these with light review.
- **Medium risk:** Client-facing reports, compliance documentation, investor presentations, marketing content. AI drafts, your professionals review and approve.
- **High risk:** Investment recommendations, regulatory filings, client portfolio changes, formal disclosures. AI assists with research and drafting, but a qualified professional makes every final decision.

*Firms that ban AI fall further behind. Firms that govern AI build a lasting advantage.*

## CHAPTER 04

# What AI Can Do for Your Firm

### What You'll Learn

- ▢ Practical AI use cases across 7 financial services functions
- ▢ How asset management, advisory, and investment banking firms are using AI today
- ▢ How to measure AI ROI across time savings, error reduction, revenue, and cost avoidance

AI is a set of tools your teams 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:** These are administrative, operational, and business use cases. AI does not replace licensed financial professionals, fiduciary judgment, or regulatory compliance obligations. Every output that touches client portfolios, investment recommendations, or regulatory filings requires qualified human review and approval.

## Investment Research and Portfolio Analysis

Research teams spend enormous amounts of time on activities that AI can accelerate without compromising quality: gathering data, summarizing reports, running preliminary analysis, and formatting deliverables.

- **Market research and analysis.** AI can compile and summarize earnings reports, analyst notes, economic data, and industry trends in minutes. An analyst who spends 2 hours pulling together background research can get an 80%-complete draft in 10 minutes.
- **Financial statement analysis.** Upload a P&L, balance sheet, or cash flow statement and get expert-level variance analysis, trend identification, anomaly detection, and scenario modeling.
- **Forecasting.** Build P&L forecasts using multiple methodologies (trend, seasonal, driver-based) with confidence scoring and automatic health checks.
- **Due diligence research.** AI agents can compile verified business intelligence on target companies, including financial profiles, leadership backgrounds, recent filings, and news sentiment. What used to take an associate a full day can be substantially compressed.
- **Investor reporting.** Draft quarterly investor letters, performance summaries, and attribution reports from raw data inputs. AI handles the formatting and narrative scaffolding so your team can focus on the insights.

## Client Service and Relationship Management

Client relationships are the lifeblood of financial services. AI helps your team communicate more consistently, respond faster, and maintain white-glove service.

- **Client communications.** Draft personalized emails, meeting follow-ups, market commentary, and quarterly review prep materials. AI matches your firm's voice, producing 80%-complete drafts that save 30 to 45 minutes per communication.
- **Meeting preparation.** Before a client meeting, AI can pull together account context, recent portfolio activity, market developments, and a suggested agenda. After the meeting, it generates notes, action items, and follow-up tasks.
- **Investor and board communications.** Generate professional update memos through structured interviews covering KPIs, metrics, fund performance, and narrative context.
- **Client onboarding.** Build comprehensive onboarding workflows that standardize document collection, account setup checklists, and welcome communications.

## Compliance and Regulatory Reporting

Compliance work requires precision, documentation, and defensible methodology. AI handles the research and drafting burden so your compliance professionals can focus on judgment.

- **Regulatory research.** Conduct preliminary research on SEC guidance, FINRA rules, and state regulations with confidence scoring, citation verification, and structured analysis. AI can cut initial research time by 60% or more.
- **Policy creation and updates.** AI agents guide you through creating regulation-aligned IT security policies, AI acceptable use policies, and internal compliance procedures with audit-ready evidence plans.
- **Compliance documentation.** Generate SOPs for compliance workflows, turning tribal knowledge into documented, audit-ready processes.
- **Exam preparation.** When an SEC exam or FINRA review is on the horizon, AI helps organize documentation, identify gaps, and draft response outlines.

## Risk Management and Due Diligence

- **Vendor and counterparty assessment.** Assess vendors with structured evaluation frameworks, risk-based research, and side-by-side comparison analysis.
- **Scenario planning.** Model high-uncertainty strategic decisions with evidence-based probability assessments, expected value analysis, and strategy portfolios.
- **Business continuity planning.** Create comprehensive, audit-ready BCDR plans using established methodologies.
- **Incident analysis.** AI-guided root cause analysis uses structured investigation frameworks to identify true causes and define corrective actions.

## Deal Execution and Transaction Support

For firms involved in investment banking, M&A advisory, or capital markets transactions, AI accelerates the preparatory work that consumes deal teams.

- **Deal research and pipeline management.** AI agents compile verified intelligence on target companies, industry landscapes, and comparable transactions.
- **Project management.** Build comprehensive deal timelines with work breakdown structures, responsibility matrices, risk registers, and milestone tracking.
- **Document preparation.** AI assists with drafting pitch books, information memoranda, management presentations, and transaction summaries.
- **Post-close integration.** Develop change management and communication plans for post-acquisition integration.

## Operations and Back Office

- **SOP creation.** Turn tribal knowledge into professional, audit-ready Standard Operating Procedures. Settlement processes, reconciliation workflows, and reporting procedures get documented properly.
- **Call management.** AI-powered phone agents handle after-hours client calls, route inquiries, and provide consistent, governed responses.
- **Knowledge management.** Build internal knowledge bases that your team can query naturally. New hires get up to speed faster.

## Business Development and Marketing

- **Thought leadership.** Blog posts, white papers, market commentary, and newsletter content. AI produces 80%-complete drafts that save 2 to 3 hours per piece.
- **Social media.** Generate LinkedIn posts and platform-specific content optimized for engagement, grounded in your actual expertise.
- **Prospect research.** AI agents compile detailed intelligence on prospective clients including company details, leadership profiles, AUM data, and industry context.
- **Event marketing.** Design webinar campaigns, conference follow-up sequences, and distribution strategies that build your pipeline.

## Measuring AI ROI

Measuring the return on AI investment falls into 4 categories:

- **Time savings.** Hours recovered per week per person. Track before-and-after for specific workflows.
- **Error reduction.** Fewer mistakes in data entry, reporting, compliance documentation, and client communications.
- **Revenue acceleration.** Faster deal execution, quicker response to client inquiries, more personalized prospecting.
- **Cost avoidance.** Reduced compliance exposure, lower breach risk, fewer emergency remediation costs.

# AI Agents: Your Digital Workforce

## What You'll Learn

- How agents and workflows go beyond basic chat
- Financial services workflow automation examples
- The Framework IT Standard Library of 100+ ready-to-use tools

## 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.

Think of the difference between handing a junior associate a blank screen and handing them a detailed research template with step-by-step instructions, required sections, and quality checks built in. Both can get the work done. Only one does it consistently.

## What Makes an Agent Different from a Chat?

**Structure.** An agent follows a defined process. A financial analysis agent doesn't just "look at numbers." It performs intelligent structure discovery, runs comprehensive variance analysis, identifies anomalies, generates scenario models, and produces transparent calculations your team can verify.

**Guardrails.** Agents include built-in quality controls. A regulatory research agent will flag confidence levels, cite sources, and note when it's operating outside its reliable knowledge.

**Consistency.** When 10 different people use the same agent, they get consistently structured outputs.

**Integration.** Agents connect to your business systems: CRM, project management, file storage, and other applications.

## 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.

Examples relevant to financial services:

- A workflow that monitors regulatory news feeds, extracts items relevant to your firm's compliance obligations, and delivers a daily briefing.
- A workflow that pulls weekly portfolio performance data, generates a summary report, and posts it to your team's communication channel every Monday morning.
- A workflow that processes incoming RFP responses, scores them against your criteria, and surfaces the top opportunities for human review.

You build workflows using a visual, drag-and-drop interface. No coding required.

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

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 our clients do every day.

- **Investment and finance:** P&L financial analysis, FP&A forecasting, break-even ROI calculators, and scenario planning.
- **Client service and communications:** Email sentiment analysis, investor relations memo generation, review response creation, and customer service coaching.
- **Compliance and risk:** IT policy creation, SOP documentation, legal research, vendor assessment, business continuity planning, and root cause analysis.
- **Sales and business development:** Prospect research, sales coaching, pipeline analysis, marketing plans, and webinar campaign building.
- **Marketing and thought leadership:** Blog writing, LinkedIn content, SEO optimization, campaign planning, and presentation creation.
- **HR and operations:** Job descriptions, candidate evaluation, performance management, change management, project planning, and knowledge base architecture.

These 100+ tools are available on day 1. They are in addition to the 500+ community-built apps already available on the platform.

**CHAPTER 06**

# The Major AI Models and Providers

## What You'll Learn

- Why model diversity matters more than picking a single provider
- The major AI providers and their strengths
- How to match models to financial services tasks

## One Platform, 67 Models

One of the most common mistakes firms make when adopting AI is locking themselves into a single provider. Managed Framework AI, powered by Hatz AI, gives your firm access to 67 Large Language Models from the leading providers, all through a single secure platform. No separate subscriptions. No vendor lock-in.

## The Major Providers

**OpenAI** builds the GPT family, including GPT-5, GPT-5.1, GPT-5.2, and GPT-5.4. These excel at general-purpose tasks. GPT-5 Nano offers a cost-efficient option for high-volume 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. Known for strong reasoning and nuanced analysis, well-suited for long-form financial analysis and 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.

**Meta** builds the Llama family of open-source models. **xAI** builds Grok 3 and Grok 4. **Amazon** offers Nova Micro and Nova Lite for cost-efficient, high-volume work.

## How to Choose the Right Model

- **High-stakes work** (client deliverables, investment analysis, compliance documentation): Use frontier models from OpenAI, Anthropic, or Google.
- **High-volume work** (routine drafting, internal summaries, data formatting): Use value models from Amazon, Meta, or faster tiers.
- **Image generation:** Nano Banana (powered by Gemini) for presentations, marketing materials, and client-facing documents.

## The Power of Model Flexibility

A single platform with 67 models means your team can match the right model to the right task without switching tools. When a new model launches, it's available automatically. No migration, no disruption. You swap models in 1 click.

### CHAPTER 07

# Prompt Engineering: Getting Better Results from AI

#### What You'll Learn

- Core prompting principles that multiply AI effectiveness
- Advanced techniques for financial services tasks
- How to manage hallucinations and evaluate output quality

## The Fundamentals

**Be specific about what you want.** Instead of "Summarize this report," try "Summarize this quarterly earnings report in 3 paragraphs for a client-facing update. Focus on revenue trends, margin changes, and forward guidance. Flag any data points that deviate significantly from consensus estimates."

**Assign a role.** "You are a senior financial analyst with 15 years of experience in mid-market asset management" produces dramatically different output than a bare request.

**Provide examples.** Paste in a previous investor letter you liked, a report structure you want replicated, or a writing sample that matches your firm's voice.

**Break complex tasks into steps.** Walk AI through the process rather than asking for a complete deliverable in one shot.

**Iterate, don't start over.** Refine output with follow-up instructions. Iteration is faster than starting from scratch.

## Advanced Techniques

**Chain of thought prompting.** Ask AI to show its reasoning step by step before providing a recommendation. Produces more accurate outputs.

**Few-shot prompting.** Provide 2 or 3 examples of the input-output pattern you want. Powerful for standardizing formats like portfolio review templates.

**Constraint-based prompting.** "Do not make investment recommendations. Do not exceed 300 words. Do not include unverifiable claims."

**Template prompts.** Build reusable templates for client quarterly reviews, earnings summaries, or meeting agendas.

## Understanding Context Windows

Every AI model has a context window: the total amount of text it can process. Practical tips for financial services professionals:

- Start fresh for new topics. Don't keep one conversation going for everything.
- Front-load the most important information in your prompt.
- Summarize long documents before analysis.
- Use agents for complex tasks. They're pre-loaded with context.
- Monitor conversation length. If responses lose focus, start a new chat.

## Hallucinations and AI Accuracy

AI models can generate content that sounds authoritative but is factually incorrect. In financial services, an incorrect regulatory citation, a fabricated statistic, or an inaccurate financial figure creates compliance risk, damages client trust, or leads to flawed decisions.

### Reducing the risk:

- Always verify numbers, dates, regulatory citations against primary sources.
- Use AI for tasks where structure and reasoning matter more than specific factual claims.
- When using AI for research, ask it to cite sources. Then verify them.
- Treat AI output as an "80% draft." Your expertise handles the remaining 20%.

## CHAPTER 08

# AI Security, Privacy, and Governance

*Protecting Your Firm in the Age of AI*

### What You'll Learn

- How Shadow AI creates specific regulatory exposure for financial services firms
- The SEC/FINRA regulatory framework for AI and how to comply
- The 6 pillars of AI governance for financial services
- The security architecture behind Managed Framework AI

## The Shadow AI Problem in Financial Services

Shadow AI is probably already happening in your firm. Research shows that 39% of financial services employees admit sending substantial private data to AI tools, despite 29% of firms reporting high concern about data leaks.

When an analyst pastes client portfolio data, a proprietary trading model, or a confidential deal pipeline into a free AI tool, the consequences are severe:

- **Regulation S-P violations.** The SEC's rule on safeguarding customer records applies to every AI tool your team uses.
- **FINRA Rule 4511 recordkeeping failures.** AI interactions that produce or inform business decisions need to be captured.
- **Fiduciary duty exposure.** Using unvetted AI tools that may expose client data creates a direct conflict with the duty of care and loyalty.
- **SOX compliance gaps.** Financial data controls bypassed when employees paste quarterly results into ChatGPT.

*When your SEC examiner or FINRA reviewer asks how your firm governs AI, you need a documented, auditable answer. Not a shrug. A policy, a platform, and a paper trail.*

## SEC and FINRA Regulatory Framework for AI

Financial services firms operate under a technology-neutral regulatory framework. Existing rules apply fully to AI tool usage:

**SEC Fiduciary Duties and Advisers Act.** The duty of care requires providing advice in the client's best interest. Using AI tools that may produce biased outputs or expose client data creates tension with both the duty of care and the duty of loyalty.

**SEC 2026 Examination Priorities.** AI technologies and automated investment tools are explicit examination focus areas. Examiners will look at compliance policies, disclosures, and the risks associated with AI-powered advisory services.

**FINRA Rule 3110 (Supervision).** Every member firm must have a reasonably designed supervisory system. FINRA's 2026 Regulatory Oversight Report added a dedicated GenAI section, highlighting risks around supervision, communications, recordkeeping, and fair dealing.

**Regulation Best Interest.** AI tools that influence recommendations to retail investors must be evaluated through the Reg BI lens.

**Regulation S-P.** Safeguarding customer information requires AI platforms to meet specific security standards.

## How Managed Framework AI Addresses Regulatory Requirements

Regulatory Requirement	How Managed Framework AI Addresses It
SEC Fiduciary Duty	Zero data training, vendor DPAs, full audit trails, transparent methodology
FINRA Rule 3110 (Supervision)	Role-based access controls, usage monitoring, admin oversight, searchable logs
FINRA Rule 4511 (Recordkeeping)	Complete, searchable logs of all AI interactions, prompts, and outputs
Regulation S-P	AES-256 encryption, data isolation, SOC 2 Type II, access controls
Regulation Best Interest	Human-in-the-loop enforcement, output review workflows
SOX Compliance	Data controls, audit trails, segregation of duties via role-based permissions
SEC Exam Readiness	Documented AI governance framework, policies, training records, usage reports

## The 6 Pillars of AI Governance for Financial Services

- 1. Policy.** A written AI use policy defining approved tools, prohibited data types, and acceptable use cases. For financial services firms, this must address client data handling, investment-related uses, compliance review requirements, and the boundary between AI-assisted and human-only decisions.
- 2. Access control.** Role-based permissions aligned to your supervisory hierarchy. A junior associate shouldn't have the same AI access as your Chief Compliance Officer.
- 3. Data protection.** Contractual zero-data-training guarantees and Data Processing Agreements. Your platform must guarantee that client portfolio information, deal data, and proprietary research is never used to train any public AI model.
- 4. Auditability.** Full, searchable logs of who used AI, what prompts were entered, and what was returned. SEC examiners, FINRA reviewers, and your compliance team need the ability to reconstruct any AI-assisted decision or communication.
- 5. Training.** Ongoing education that specifically addresses what data types can and cannot be entered, how to handle AI-assisted investment research, and the firm's human-in-the-loop requirements.
- 6. Client fiduciary protection.** This pillar distinguishes financial services from other verticals. Your governance framework must address how fiduciary obligations are maintained when AI tools are used in client-facing work: documented review processes, disclosure policies, and clear accountability structures.

## The Security Architecture Behind Managed Framework AI

Managed Framework AI is built on Hatz AI, a platform with SOC 2 Type I, SOC 2 Type II, and SOC 3 certifications.

- **Your data is never used for AI model training.** Contractual agreements with all providers explicitly prohibit training on your data.
- **Encryption.** AES-256 for stored data. TLS 1.2+ for data in transit. Keys managed separately and rotated regularly.
- **Data isolation.** Each organization's data is logically isolated. Never commingled.
- **Compliance.** Supports GDPR, CCPA, HIPAA (with BAA), and SOX. DPAs and BAAs available upon request.
- **24/7 monitoring.** Intrusion detection, anomaly detection, incident response, and regular third-party penetration testing.

### CHAPTER 09

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

*From Zero to Measurable ROI*

### What You'll Learn

- ▢ Why phased adoption outperforms big-bang AI rollouts
- ▢ A compliance-aligned implementation roadmap for financial services firms
- ▢ How to manage the people side of AI adoption

***Gartner research shows 80% of AI licenses go unused without structured adoption support.***

### Why Crawl-Walk-Run?

- **Reduces risk.** Resolve governance and compliance questions before AI reaches a broad audience.
- **Builds confidence.** Give people time to learn before asking them to do something complex.
- **Delivers measurable wins early.** Target a high-value, low-complexity pilot in the Walk phase.
- **Creates internal expertise.** Each phase develops champions and power users.
- **Scales sustainably.** Governance and skills are in place before broader initiatives.

Phase	Timeline	Key Milestones
<b>Crawl</b>	Weeks 1-4	AI governance policy, roles/permissions, users onboarded, SEC/FINRA compliance documented, champions identified
<b>Walk</b>	Months 1-4	Pre-built agents deployed, first pilot completed and measured, ROI documented, compliance review process established
<b>Run</b>	Months 4-6+	Custom integrations, power users program, teams discovering opportunities independently, multi-department deployments

## 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 firm needs to answer fundamental questions: Who is allowed to use AI? Under what rules? How do we maintain compliance?

- 1. Establish an AI Acceptable Use Policy.** For financial services, this must address prohibited data types, review requirements for AI-assisted research, recordkeeping, and alignment with FINRA Rule 3110 supervisory procedures.
- 2. Document your regulatory compliance framework.** Map your firm's specific SEC, FINRA, and Reg S-P obligations to the platform's capabilities. This documentation becomes your answer when an examiner asks.
- 3. Define roles, permissions, and user structure.** Align AI access tiers to your firm's existing supervisory hierarchy.
- 4. Onboard users and deploy general-purpose applications.** Writing assistants, research summarization, brainstorming aids, and drafting helpers.
- 5. Create a central AI resource hub.** Getting-started guides, your AI use policy, recordkeeping procedures, and contact information for champions and compliance.
- 6. Identify and develop AI champions.** At least 1 from portfolio management or research, 1 from compliance, and 1 from operations.
- 7. Encourage basic platform exploration.** Build familiarity and reduce anxiety. This is where most people have their first "this is actually useful" moment.
- 8. Establish an AI-forward culture from leadership.** Leadership must visibly commit by using the tools themselves.
- 9. Launch recurring support sessions.** Framework IT's Office Hours provide live coaching and troubleshooting.

## Phase 2: Walk — Guided Exploration and First Wins

Timeline: Months 1-4

1. **Deploy pre-built applications.** Good starting points: Compliance Check, SOP Writer, IT Policy Creator.
2. **Customize applications for specific teams.**
3. **Identify your first pilot workflow.** Good candidates: client communication drafting, due diligence research, or compliance document templating.
4. **Develop the AI solution collaboratively.**
5. **Test with a controlled pilot group.**
6. **Establish compliance review for AI outputs.** Document who reviews, what's the sign-off procedure, how outputs are archived.
7. **Measure ROI and document your first win.**

## Phase 3: Run — Scaling and Continuous Improvement

Timeline: Months 4-6+

1. **Develop a power users program.**
2. **Explore custom integrations** with CRMs, portfolio management, and compliance tools.
3. **Formalize business case analysis** for new AI initiatives.
4. **Enable proactive workflow discovery.** Teams identifying opportunities on their own is the clearest sign of AI maturity.
5. **Build custom AI applications** for your firm's specific processes.
6. **Establish a continuous improvement and governance loop.**

## The People Side of AI Adoption

- **Start with pain, not features.** "This cuts your quarterly report prep from 6 hours to 2" resonates more than "this platform has 67 models."
- **Make early wins visible.** When someone saves 3 hours on a compliance review, share it.
- **Respect the skeptics.** Address concerns with evidence, not enthusiasm.
- **Build from the middle.** Champions create more organic adoption than top-down mandates.

**CHAPTER 10**

# Managed Framework AI: The Complete AI Adoption Program

*Not a Software Subscription. A Managed AI Adoption Program.*

## What You'll Learn

- What's included in Managed Framework AI
- How Office Hours, SBRs, and Accelerator Plans drive adoption
- How it compares to Copilot and ChatGPT Team

## Three Pillars: Safe. Governed. Productive.

**Safe.** We help financial services firms adopt AI in a way that reduces risk around data security, client information exposure, and regulatory misalignment.

**Governed.** We give leadership, compliance, and IT greater visibility, control, and guardrails. When an SEC examiner or FINRA reviewer asks "How is AI governed here?" your firm has a documented, defensible answer.

**Productive.** We turn AI into practical business outcomes through enablement, use-case alignment, and measurable gains.

## What Is Included

- **Access to 67 AI Models.** ChatGPT, Claude, Gemini, Llama, and more. Automatic access to new models.
- **Unlimited Users.** No per-seat pricing surprises.
- **100+ Framework IT Standard Agents and Workflows.** Plus 500+ community-built apps. Easily cloned and customized.
- **No-Code Workflow Builder.** 50+ native integrations plus thousands via Zapier.
- **AI Phone Agent (ADEL).** Voice AI for call handling, available around the clock.
- **AI Champion Certification.** Approximately 90-minute structured training.
- **SOC 2 Type I and II Certified.** Your data is never used to train any public AI model.

## Office Hours: 3 Sessions Per Week

**Live Coaching and Q&A.** Bring your questions about financial analysis prompts, compliance research, or workflow building.

**Use Case Workshops.** Build workflows together, from portfolio reporting automation to compliance document generation.

**Show and Tell.** Users share wins: compliance monitoring automations, earnings analysis templates, client communication workflows.

## Monthly AI Strategic Business Review (SBR)

A structured monthly session reviewing adoption metrics, roadmap progress, new use cases, and training priorities. Your named Framework IT partner stays accountable for results.

## Accelerator Plans: Go Deeper, Build Faster

Consulting hours where our AI team works directly with yours. Typical engagements for financial services firms:

- Custom agent development tailored to your firm's processes and compliance requirements.
- Multi-step workflow automation connecting AI to your business systems.
- Department-specific rollouts with measured results.
- Advanced use case development for firms in the Run phase.

## 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	67 models
Adoption Support	None	None	Crawl-Walk-Run
Data Training	May use your data	May use your data	Zero training, guaranteed
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
SEC/FINRA Compliance	Limited	No	Governance framework + audit trails
Fiduciary-Grade Auditing	No	No	Complete, searchable interaction logs

## The Transformation

**Before Managed Framework AI:** The firm is operating in the dark. Analysts are using AI tools nobody approved. Compliance has no visibility. There's skepticism, regulatory risk, and quiet anxiety about the next SEC exam.

**After Managed Framework AI:** The firm has a named partner, a documented governance framework, and a trained team actively using governed AI every day. Research is faster. Compliance documentation is tighter. Client communications are more personalized. When the examiner asks about AI governance, you hand them a binder, not a blank stare.

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

**CHAPTER 11**

# AI Governance Readiness Checklist

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## *Is Your Firm Ready?*

Use this checklist to assess where your firm stands today. Score yourself honestly. Most firms 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 has formally endorsed our AI strategy
- We have designated an internal AI Champion to lead adoption
- Our AI policy has been communicated to all employees
- Employees 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

### SEC/FINRA Compliance and Fiduciary Protection

- We have documented how our AI platform meets SEC fiduciary duty requirements
- Our AI governance framework addresses FINRA Rule 3110 (Supervision) obligations
- We have reviewed FINRA's 2026 Regulatory Oversight Report GenAI section
- Our AI use policy specifically addresses Regulation S-P (safeguarding customer information)
- We have documented recordkeeping procedures for AI interactions per FINRA Rule 4511
- Our firm has a defined process for human review of AI-assisted investment research
- We have reviewed Regulation Best Interest implications for AI-assisted recommendations

### Data Protection and Privacy

- We have contractual zero-data-training guarantees from our AI providers
- We know which AI tools our employees are currently using (including free tools)
- Sensitive data categories (client portfolio data, deal info, proprietary research) are defined as off-limits for unmanaged AI
- We have Data Processing Agreements in place with every AI vendor
- We have a defined process for classifying data sensitivity levels for AI use
- Employees know which types of data they can and cannot enter into AI tools

### Access Control and Permissions

- AI access is role-based and aligned to our supervisory hierarchy
- We maintain searchable logs of AI usage (who, what, when)
- We can produce an AI governance report if asked by an SEC examiner or FINRA reviewer
- 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

### 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 employees receive AI onboarding as part of their standard orientation
- We have identified and developed AI Champions within the firm
- 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 firm 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 compliance requirements (SEC, FINRA, SOX, etc.)
- We have reviewed whether our specific regulatory obligations have AI-related guidance
- Our vendor management program includes AI-specific evaluation criteria

### Workflow and Automation Maturity

- We have identified our top 3 to 5 high-value AI use cases
- We have documented baseline metrics 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 align with our highest-value use cases
- Our AI automations include human review checkpoints for critical outputs

### Governance and Continuous Improvement

- We have a recurring forum for AI governance
- 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 firm
- We have a feedback loop between users and the team managing the AI program
- Our AI roadmap is a living document updated based on progress and new opportunities

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## How to Read Your Results

**0-15 boxes checked:** You're in the early stages. The Crawl phase is designed exactly for this.

**16-30 boxes checked:** Meaningful progress but significant gaps remain. Ready for the Walk phase.

**31-40 boxes checked:** Mature AI governance posture. Approaching the Run phase.

**41+ boxes checked:** High level of AI maturity. Focus on continuous improvement.

If you have unchecked boxes, you aren't alone. Managed Framework AI was built to help you check every one of them, with a named partner who stays accountable for results.

### CHAPTER 12

## Next Steps

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

If your firm 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 firm stands today, identify the highest-value opportunities, and show you exactly how Managed Framework AI works. No pressure, no pitch deck. Just a conversation about what makes sense for your firm, your regulatory obligations, and your growth goals.

**Take the readiness checklist to your leadership team.** Use it to start an internal conversation about AI governance, fiduciary risk, and opportunity.

**Stop the bleeding on Shadow AI.** Every day your team uses unmanaged AI tools is another day your client data is at risk and your compliance posture is exposed. Getting onto a governed platform is the single highest-impact step you can take.

### Book a Consultation

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.

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