

Simplified AI:

LEVEL UP

Your Decisioning



PROVENIR

Simplified AI: Level Up Your Decisioning

Anybody who has ever played a video game knows that to reach your end goal, whether it's rescuing the princess, defeating the boss, or well, just casually dominating the competition, you need to power up your character's abilities every chance you get. Much like, to succeed in today's digital first financial services world you need to level-up your risk decisioning capabilities whenever possible.

So, in the world of financial services, what's the ultimate decisioning power-up available right now?

Artificial Intelligence.

I know you're thinking, how can something that doesn't offer you any type of invincibility powers be considered the ultimate power-up? Because it does something better than that. Instead of fending

off risks for a short period of time before it needs a recharge, it lets you use those risks to get better and better at making decisions. In turn giving you the power to do things that have been out of reach with traditional decisioning capabilities, such as enable approvals for unbanked consumers, adapt to rapidly changing markets without sacrificing the customer experience, and continuously optimize decisioning across the customer lifecycle.

So, if AI is the ultimate power-up, why aren't more people already using it to make a difference?

Because, of the AI projects launched only 11% show any meaningful benefits.¹ Why? There are several reasons, including:

- **Lack of focus on specific business challenges**
- **High cost of entry and spiraling ongoing costs**
- **Lack of the right technology**
- **The right data isn't available**
- **Limited internal knowledge**
- **The project doesn't bring value in a reasonable time**
- **AI accuracy starts to drift**

But, these challenges aren't diminishing the lure of AI. In fact, 86% of leaders in financial services plan to increase investment in AI over the next year.² In the following section we'll look at the potential AI benefits that are driving companies to continue to pursue AI projects, even when existing ones haven't produced the expected results.

The Promise of AI: Level Up Decisioning Across the Customer Lifecycle

While only a small amount of AI projects are perceived as a success, those that are successful create tangible benefits that drive growth, increase agility, and make your business more competitive. There are many decisions across the customer lifecycle where AI can contribute significant value.

Achievement Unlocked: Smarter Decisioning Across the Customer Lifecycle

Expand your customer base

- Say yes to customers you haven't been able to approve before
- Move outside of your current lending base without increasing risk
- Decision based on alternative data
- Power financial inclusion

Identify fraud

- Auto-optimize your decisioning to manage evolving fraud
- Switch from a rules-based approach to a self-learning AI model
- Reduce false positives
- Maximize detection

Refine pricing

- Make the right offer at the right price
- Maximize profitability
- Offer personalized pricing
- Make your lending portfolio work harder

Expand your customer relationships

- Use your customer data to show how, when and what offers to give your customers
- Act before they shop around
- Predict when they are most likely to convert and automatically respond
- Maximize lifetime value

Optimize customer management

- Predict instead of reacting to delinquent accounts
- Use real-time data to identify pre-delinquency patterns
- Minimize losses and reduce the number of accounts sent to collections
- Improve customer relationships

Winning the AI Game: Walk Through One Level at a Time

LEVEL 1

Avoiding Shiny Object Syndrome to Set Your AI Project Up for Success

If you were or still are a gamer, you know that the first level is always a learning curve; figuring out how things work, finding out what's possible, learning how to level up your abilities, discovering how to not crash and burn, etc. Deciding to explore AI in decisioning is a very similar experience!

AI offers the promise of so many valuable benefits that it can be difficult to choose just one of the shiny objects to pursue, instead you end up trying to do all of the things, all at once! We'll call this shiny object syndrome.

Research shows that 85% of AI projects fail to show value³ and lack of focus on a specific business goal is a major culprit. Twenty-six percent of companies consider 'finding a starting point' one of the top three challenges to implementing AI⁴. Companies throw AI punches at their



challenges and hope something lands! At the other end of the spectrum, many companies fail to launch AI projects off the idea board because they can't pick a specific objective to start with. Your first AI project doesn't need to be an enterprise-wide, all-or-nothing initiative – start small and get the whole company adjusted to the value AI can bring.

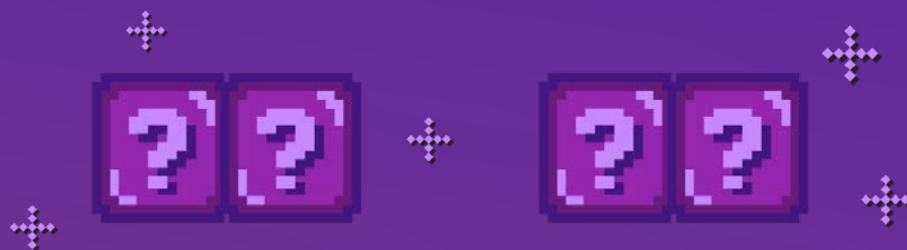
To launch a successful AI decisioning project that shows value you need to start with a defined business challenge and focus in on one area where AI can quickly shine. Not only does this create business value, but it also helps drive business buy in.

If you're struggling to identify the best business problem to tackle first, one option is to work with a technology partner that is already working with businesses like yours to help them solve key challenges and drive value with AI.

POWER-UP TIP:

You don't need vast amounts of internal expertise to launch an AI strategy across your decisioning! Selectively choosing the right partner to fill these knowledge gaps can be a cost-effective and time-saving way to get AI projects launched quickly.

However, if you already have an in-house data science team, choose a technology partner that can easily migrate their existing models into more user-friendly technology.



LEVEL 2

Lowering the Cost of Entry to the World of AI

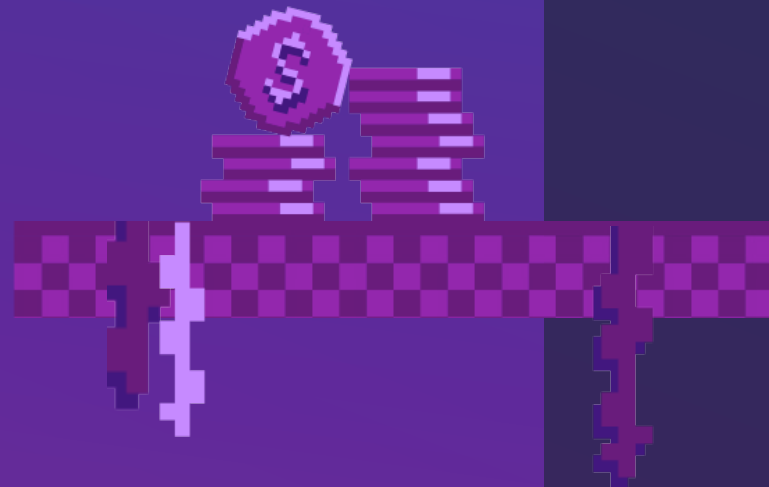
In a recent survey, executives from financial services organizations stated that the average successful AI project cost over \$3.5 million (USD). That's a lot to invest on a project, especially if AI is an unproven technology in your organization. If you're an early stage fintech, it's a pipe dream.

So, do you really need millions of dollars to add AI to your decisioning? The answer is... it depends. If you choose to go it alone with your AI project and build all of the infrastructure, bring the talent in house, etc. then yes, your costs can quickly spiral. However, if you choose to work with a trusted partner instead, you could launch AI into your decisioning for an incremental monthly cost of just a few thousand dollars.



POWER-UP TIP:

Choose a scalable technology solution for your AI strategy. While starting small with a focused project is essential for rapid rewards, you'll need technology that can support AI growth across your decisioning strategy to expand on that success.



LEVEL 3

Overcoming Technology and Data Challenges to Unlock Value

There are three foundational things you'll need in place to make your AI project drive business value: usable data, manageable AI, and automated decisioning. Let's expand on what we mean with these three things:

Usable Data

Data is everywhere but accessing and using that data is a challenge for many companies. Fifty-nine percent of organizations said that a shortage of data science talent is one of the main barriers to realizing AI value⁵. In a video game it'd be one of those annoying power-ups you can collect but can't use because you haven't acquired the right skill set. AI is hungry for data, but to consume data it needs to be in a usable form and available in a great enough volume that AI models can identify the patterns that will optimize your decisioning. Many organizations wanting to launch AI projects don't have the variety or volume of data or the data architecture needed to get the most out of AI.

Your business has two options to solve this siloed, unusable data problem: one, build the data infrastructure internally to support this, which is a resource-heavy commitment. Or two, choose a technology partner who offers a plug-and-play solution for this.

POWER-UP TIP:

The trace data from your decisioning, when fed into your AI models, will drive performance optimization. Whichever data path you choose make sure you have the power to harness your decisioning data!

Manageable AI

Data scientists could devote an entire eBook to this section alone, but we'll keep this a high-level look at why businesses fail to deploy AI projects and how to overcome this.

The right tool (model) for the job: If you've ever investigated AI platforms, you'll know that models aren't in short supply, in fact there's an overabundance of models. Why is this a problem? Because it requires your team to know which one to use when, adding in additional time and resource needs. It's like having to guess which weapon is effective against threats, instead of the game telling you which tool to choose. It's like trying to have your hero cross a ravine using a spade instead of a whip. It'll be game over at record speed.

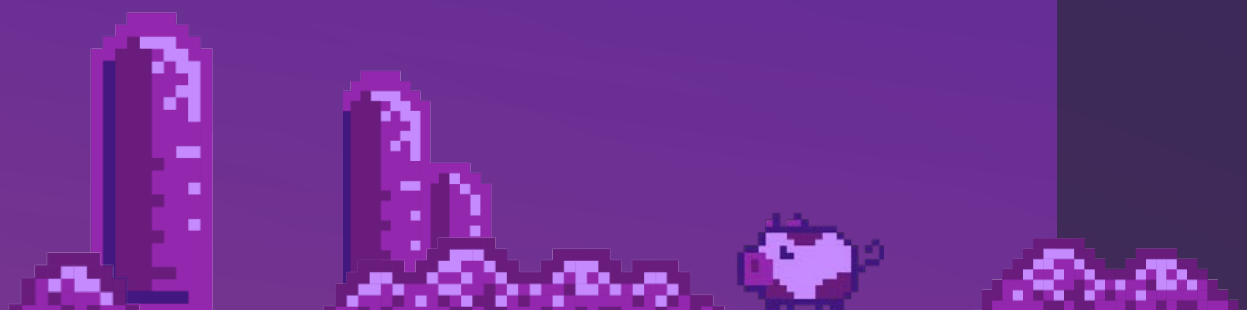
There are solutions available that will automate this process for you. They use automatic testing to select

the most effective model for the business problem you're trying to solve. For example, there may be 30 models that could show positive results, and to pick the right one, the automation will run through these models to show you which model or combination of models is most effective based on your specific needs, whether that's lowering delinquency rates, increasing conversions, reducing risk, lending more, etc.

Getting models live and keeping them

effective: It's often much easier to do things in the comfort of your own home/office than it is to make things work in the real world—and AI is no different. Deploying models can be daunting – 47% of executives find it difficult to integrate cognitive projects into existing processes and systems⁶. When/if they get deployed, performance monitoring is often limited, meaning that when the models drift, the reduction in their effectiveness isn't noticed or addressed as soon as it should be. This directly impacts their ability to make accurate predictions.

To be successful with your AI project you'll need an MLOps solution that simplifies the deployment, monitoring, and retraining of your models. Again, this is something that you could build internally, but partnering with an external resource is a cost-effective option. And, if you've already started on your AI journey but have hit roadblocks with technology, you don't need to throw away your existing models, instead a technology partner should be able to easily migrate, recreate, or shadow run your models.



POWER-UP TIP:

Think of partnering with a technology vendor as you would hiring a plumber. They do all of the hard work so all you need to do is turn the tap on to get water running (put your model live) as efficiently as possible.

Automated Decisioning

What's the point of using AI to make predictions if you don't use those predictions to make decisions? To truly maximize the potential of AI it needs to work hand-in-hand with your decisioning solution. With automated decisioning putting those predictions into action you can improve performance anywhere decisions are made across the customer lifecycle. Think as AI as fuel that feeds your decisioning. Removing silos and achieving this kind of relationship between your decisioning and AI technologies is imperative for the success of your project, and this integration should be high on your shopping/build list.

In many organizations, data, AI, and decisioning are rarely one solution within an organization. You'll find them siloed. And bringing these three components together is often the source of delays and failures for AI projects.

POWER-UP TIP:

Whether you shop for or build your AI Decisioning Solution, make sure the decisioning, data, and AI capabilities are either prewired or can be integrated into one cohesive unit. It'll save you time and money!

LEVEL 4

Set New Records to Bring Value Faster

In our recent survey of 400 financial services executives the average time to value for AI projects was over 121 days and only 5% saw value in 60 days or less. To join that 5% you'll need to be strategic in your project approach.

First, the big question, can you cross the finish line to achieve value before your 60-day timer runs out? If you go it alone, building everything from scratch including all of the infrastructure and models? Possibly. If you have enough resources and money to throw at the project.

If you choose to take the partner route it's absolutely feasible to achieve value in 60 days if the AI and the decisioning are implemented side by side. In fact, if you were purely adding AI on top of your existing



decisioning, as long as it's flexible enough to support AI, you could start seeing value in 15 days or less. When you're not building the solution, the development time—which slows down time to value—is eliminated. Instead, you're reducing the project timeline down to implementation time alone, which for a SaaS AI solution should be achievable in under two weeks. For a full decisioning and AI SaaS implementation, it should be live in under two months. If your decisioning and AI technology partner says it isn't possible, ask them why.

POWER-UP TIP:

Assess whether your existing decisioning can support AI as-is or if you'll need to focus on a unified AI Decisioning Platform as your main quest. What do we mean by this? You need to establish whether your decisioning capabilities are agile and powerful enough to support AI without extensive work. If not, replacing your decision engines with one unified solution for both AI and decisioning will reap bigger rewards, be more cost effective and faster to implement. You **can** have it all.



LEVEL 5

Creating Forward-Looking AI

In the section above we talked about the importance of having data, AI, and decisioning capabilities to power all AI-fueled decisioning projects, but we didn't yet talk about why it's so important to have all three talking to each other in real time.

One of the challenges of any analytical analysis is that it relies heavily on historical data to make predictions, but to be truly agile and able to accurately predict the future we need to take a different approach.

We'll go back to the video game analogy again... imagine you're playing a racing car game where you're allowed to drive a few laps of the track looking at what's ahead of you. Then, you continue the race but you're only able to look behind you. You could, if you had a good memory, do a reasonable job at navigating the track. What you couldn't do is predict any changes ahead. You have to assume that the following laps will be the same as your practice laps because it's all you know. The chances you'll go the "wrong way" at some point are highly likely. This is traditional decisioning



based on historical data. It works well while everything follows the status quo, but it gets into trouble when the path ahead changes.

Now, imagine driving the same track but with a 360-degree view of what's around you—and in an upgraded car that's able to use real-time data to auto-adjust vehicle performance. Not only are you prepared for what you can see ahead of you, your car's safety systems are adjusting performance to help keep you on the winning line. Your car has learned from the past and is absorbing everything that's happening to it in that moment to predict the optimal route forward. This is AI decisioning auto-optimizing models using real-time data.

So, what's the key point here? If you want to make accurate predictions about the future, you need data, AI and decisioning brought together into one self-optimizing car. When you have this, your data feeds your AI, which fuels your decisioning. But it doesn't stop there. Your decisioning then feeds data back to your AI on the performance of decisions, allowing it to learn from every decision made so it can make more accurate predictions.

POWER-UP TIP:

While (model) drift may be a goal in racing games, it's a challenge to overcome in real life. Choose technology that makes model retraining and auto-optimization quick and easy to unlock the ultimate accuracy upgrade.



AI-Powered Decisioning: You are the Winner

Avoiding “game over” doesn’t have to be difficult when it comes to launching and getting value from your AI decisioning. While many try to go it alone, choosing a partner to provide the foundational technology and expertise for your AI strategy can eliminate many of the challenges that delay launches and prevent rapid ROI. We’ve pulled together the main points from this eBook to help you level up your decisioning with AI.

Key Takeaways: Your Cheat Guide to Leveling Up Decisioning with AI

1. **Choose your AI project carefully.** If you’re struggling to get past shiny object syndrome work with a partner who can help you pick the right place to get started.
2. **Start small for a quick win.** It’ll make getting business buy in for a large-scale AI strategy much easier.
3. **To unlock value from AI predictions you need world-class decisioning** to put them into action.

4. **Your data, decisioning, and AI should act as one cohesive unit.** If they don't, you may see value from AI, but you'll never be able to maximize its potential.
5. **Your technology needs to make it easy to push your AI models live.** You'd never rehire an electrician if their wiring needed you to flip 15 switches to turn on a single light bulb.
6. **Decisioning data helps your AI optimize its performance.** You need technology that empowers the continuous feedback loop between decisioning and AI.
7. **Once your AI is live remember that you'll need a simple way to retrain it and keep it accurate.** AI technology with support for live retraining makes that process much more efficient.
8. **The right technology can make your Risk and Data Science teams much more efficient.** For example, having technology that can auto select the right model for the right task can save you an incredible amount of time.
9. **Data is the food for your AI strategy; having easy access to the right types of usable data is essential.** If you don't have the architecture to support this, partner with a technology partner who does if you want to drive AI value quickly.
10. **You can achieve value from AI-Powered Decisioning in 60 days or less.** Don't believe us? Let us show you how!

BONUS TIP:

When you select a technology vendor, don't look at the technology alone, ask yourself whether this is a partner that you want to work with. Does their knowledge and experience complement your own? It should!

Meet the Provenir AI-Powered Decisioning Platform

The Provenir Platform brings together data, AI and decisioning into a single no-code UI. Combine the power of universal data access, simplified AI, and world-class decisioning technology to make smarter risk decisions across the customer lifecycle.

Say no to inflexible technology. Say yes to user-friendly, scalable technology that lets you launch, innovate, and expand based on your timeline. Ready to write your own fintech growth story? Visit **Provenir.com**.



Level Up Your Decisioning with AI.

[Get in Touch](#)

Endnotes

- 1 <https://www.fierceelectronics.com/electronics/just-11-companies-using-ai-reap-significant-financial-roi-study-finds>
- 2 <https://theroadahead.economist.com/pdfs/us-eiu-thoughtspot.pdf>
- 3 <https://medium.com/@NeotericEU/the-single-most-important-reason-why-ai-projects-fail-68c8c1f72dee#:~:text=Research%20shows%20that%20there%20are,you%20actually%20start%20your%20project.>
- 4 <https://www.semrush.com/blog/artificial-intelligence-stats/>
- 5 <https://research.aimultiple.com/ai-stats/>
- 6 <https://hbr.org/2018/01/artificial-intelligence-for-the-real-world>

YOU WIN!

Thank you for playing.