

INTEGRATED INSIGHTS



AI EXPERIMENTATION TO OPERATIONAL ADOPTION

Turning AI investment into
operational advantage



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AI experimentation to operational adoption

Artificial Intelligence is no longer a future-state discussion in financial services.

Across investment managers, asset owners and service providers, the first phase of the journey is already underway. Secure environments are in place, pilots are running, and teams are actively exploring use cases. That progress matters. But it is not where the real challenge lies. The next phase of AI adoption will not be defined by who has access to the best tools. It will be defined by who can embed those tools into real operating models in a way that is structured, governed and commercially meaningful.



Technology rarely fails on its own. Adoption does.



The first phase is the easy phase

The early AI use cases are familiar: drafting investment commentary, summarising research, preparing first-pass reports, interpreting documents and supporting knowledge retrieval.

These use cases are valuable. They create familiarity, improve productivity and help organisations build confidence. But they do not yet amount to operating model transformation.

The real complexity begins when AI moves closer to core investment and operational processes - mandate monitoring, reconciliation exception triage, performance validation, pricing oversight, regulatory reporting preparation, fund accounting quality assurance and data integrity reviews. These are workflows where accuracy, accountability and control are non-negotiable.

That is where AI stops being a helpful assistant and starts becoming part of the way the business works.





AI does not solve fragmented processes. It exposes them

Financial services businesses are often highly process-based, but not always well documented end to end. People understand their part of the chain, but upstream and downstream dependencies are far less visible. Decision logic sits with individuals. Control ownership is assumed rather than defined.

This has always been manageable, up to a point.

AI changes that.

The real requirement

If an organisation wants AI to support or automate part of a process, it has to make that process explicit. Inputs, outputs, business rules, exception pathways, escalation points and ownership all need to be clear. What used to live as tacit knowledge in the business has to be translated into operating logic.

That is why AI adoption is not primarily a tooling problem. It is a process architecture problem.



The real barrier is operating model readiness

There is a tendency to think about AI adoption as a technology challenge. In reality, it is just as much a business implementation challenge.

Where organisations struggle

The organisations that will struggle are not necessarily the ones with the weakest models. They are the ones with the least process clarity, the most fragmented ownership, and the greatest resistance to changing how work gets done.

Resistance is nothing new

That resistance is not new. Every major transformation program runs into it. Teams protect spreadsheets. People hold onto manual controls. Business units resist standardisation. Functions optimise for their silo rather than the full process. When the proposed change involves AI, that hesitation is amplified by understandable concerns around trust, control and role impact.

The real transformation

That is why the transition matters so much. AI changes work. It moves people from doing the task to overseeing the task.

For many organisations, that is the real transformation. Not prompt engineering. Not model selection. But redesigning roles, clarifying accountability, and helping teams understand how to supervise, challenge and improve AI-supported outcomes rather than simply execute the process themselves.





ROI is realised in implementation

As AI investment grows, the question is no longer whether there is value in the technology. The question is whether that value can be translated into measurable operational outcomes.

01. Structure the opportunity properly

Not every process is suitable. Not every workflow needs AI. Some activities are better solved through traditional automation. Others may benefit from AI-assisted support rather than higher-autonomy execution. The starting point is clear use case definition, business case assessment and practical prioritisation based on business impact, operational feasibility and control requirements.

02. Support adoption in the business

That means documenting SOPs, clarifying decision logic, mapping controls, defining oversight models and guiding teams through the shift from execution to supervision. Without that work, AI remains a pilot or an adjacent tool rather than an embedded capability.

03. Build assurance in from the start

AI cannot scale without confidence. That confidence is built through testing, validation, traceability, exception management and clear governance. If the business cannot explain how the output was reached, who reviewed it, what controls apply and how exceptions are handled, adoption will remain slow and fragile.





Governance is moving from good practice to competitive necessity

This matters even more in Australia's current regulatory environment.

CPS 230 is not an AI regulation. But it is highly relevant to AI adoption. Once AI becomes part of a critical workflow, it becomes part of the operational risk environment. It raises questions around accountability, controls, resilience, testing, monitoring and third-party dependency.

That creates a clear divergence.



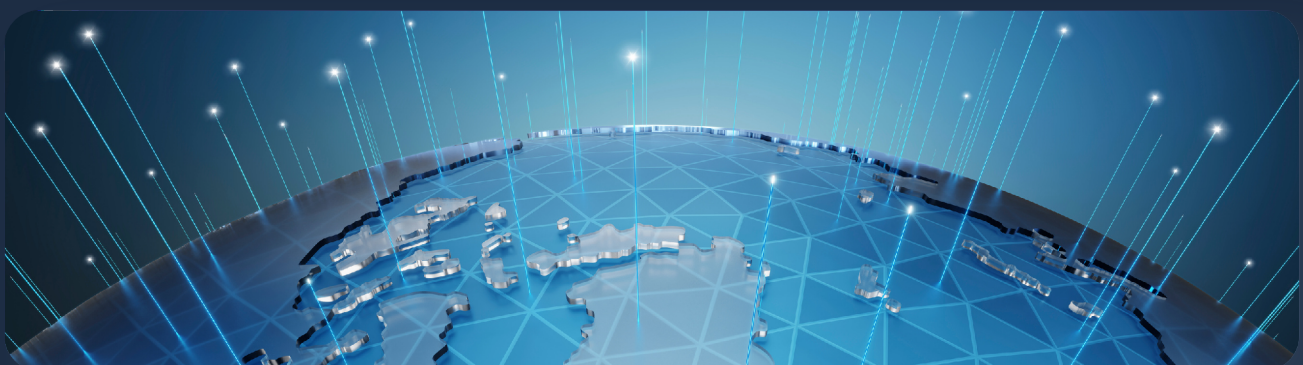
Structured approach

The firms that build AI into structured operating models, with documented processes, clear control points, audit trails, human oversight and repeatable validation, will scale faster and with greater confidence.



Unstructured approach

The firms that move forward in an unstructured way may still progress quickly at first. But they are more likely to spend the following years remediating control gaps, reworking workflows and rebuilding trust in outcomes that were never properly embedded.





Where Integrated Advisory supports the journey

This is where IA's AI Enablement capability is designed to help. Our view is simple: AI adoption succeeds when businesses treat it as an operating model evolution, not a standalone technology project.

That is why our approach is built around four connected capability areas:



Identify and prioritise

Focuses on the foundations: process clarity, use case definition, ROI assessment, SOP documentation, decision logic, control mapping and ownership.



Validate and assure

Focuses on production confidence: testing, validation, traceability, exception handling, fallback thinking and readiness for deployment.



Govern and control

Focuses on structure and oversight: governance frameworks, approval pathways, audit trails, lifecycle controls, logging and evidence.

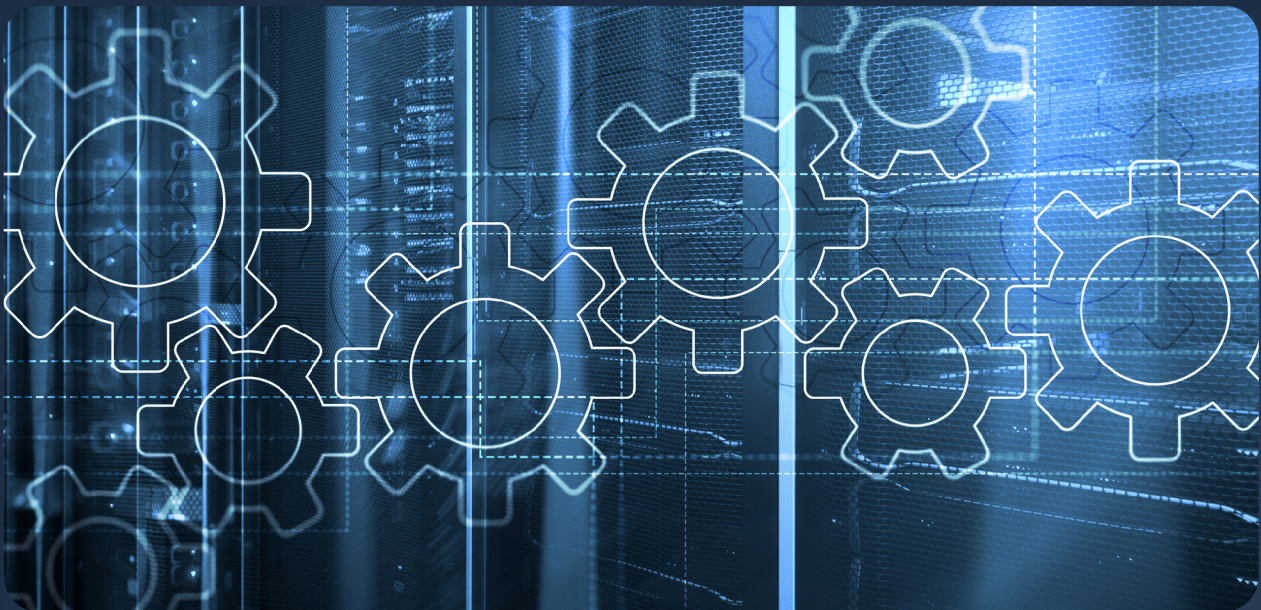


Embed and adopt

Focuses on the business shift required to make AI real: workflow redesign, role transition, oversight models, stakeholder alignment and change support.



The next phase will reward operating discipline



The financial services organisations that thrive in AI will not simply be the ones that experimented earliest.

They will be the ones that did the harder work of making their processes explicit, their controls visible, their operating models adaptable and their people ready.

AI will absolutely create productivity gains.

But the deeper value, structural efficiency, stronger controls, better decision support and scalable operating leverage, will only be realised when firms move beyond curiosity and embed AI into the way the business actually works.


That is not a model problem.


It is an operating discipline problem.

And that is where the next competitive advantage will be built.


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