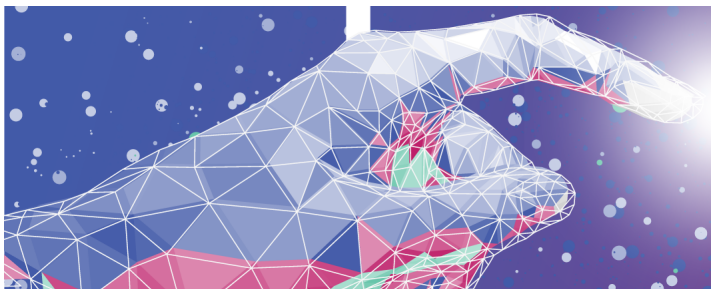


INFUSING AI INTO DECISION MAKING



The perpetual battle for wallet share demands financial institutions (FIs) continually streamline processes to maintain a competitive edge.

The post-pandemic, digital-first arena transformed business as usual for the financial industry. Particularly the speed at which technology would assume the leading role in banks' day-to-day strategies. By effectively curbing manual intervention, technology is the foundation of operational efficiency for financial institutions.

The incessant drive to reduce manual operations inevitably spotlights the appeal of Artificial Intelligence and Machine Learning (AI/ML). As it continues to shape the world around us, the autonomy of this technology is seemingly limitless, essentially serving as human by proxy.

But when considering incorporating AI/ML, banks must assume an eyes-wide-open approach - because regulatory compliance is waiting at the intersection of data and technology. Data is a priceless commodity in the information-driven world of financial services and is critical for everything from origination and onboarding to fraud management and collections. But, the most advanced technology is only as strong as the data feeding it.

Machine learning uses algorithms to predict outcomes. It "learns" from input information, so improving accuracy requires continual data flow. The importance of accurate,

consistent data is paramount. Missing, duplicate, and bad data feeding into analytics and machine-learning pipelines can lead to data bias and flawed decisioning - resulting in poor risk management and gaps in explainability.¹

"Combining machine learning can give you the best of both worlds: a clear set of rules combined with a flexible method for creating new rules based on the data at hand."²

- Suresh Krishnan
Digital Transformation Consultant

Infusing machine learning with a rules-based system can help overcome these deficiencies. It delivers precision logic and offers the ability to author, test, and validate while allowing for quick process updates.

It's essential to understand the strengths of both technologies so you can identify the right solution for the problem. Sometimes, it's not one or the other, but how to use both together to get maximum value.³

With Zoot, FIs can run established business rule sets parallel to an AI/ML model - expanding monitoring and control to compare results. FIs can run multiple strategies simultaneously without commitment to models or limits on the number implemented. This holistic approach enhances FI's capabilities to identify extended data points (good, bad, or otherwise).



1. The Top 5 Benefits of AI in Banking and Finance (techtargget.com)
2. <https://www.linkedin.com/pulse/data-ai-rule-based-ml-suresh-krishnan/>
3. <https://www.capitalone.com/tech/machine-learning/rules-vs-machine-learning/>

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