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# AI and the Advisor: This Time Is (No) Different

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*Editor's note: Artificial intelligence (AI) often is framed as a threat to financial advisors. In this Q&A, Rob Pettman, president of the fintech company TIFIN, argues that the real story is more practical and more competitive. AI will not replace advisors, he asserts, but it will fundamentally reshape how advice is delivered. Pettman is convinced that the firms that move beyond experimentation and embed AI into workflows, governance, and operating models will define the next era of scalable, personalized advice.*

## Robo Redux?

***Q: Digital robo-advice struck a chord back in the day, but fears were arguably overdone. What can we learn from that experience as we confront AI fears and opportunities?***

The early fear that robo-advice would replace financial advisors clearly was overstated. But robo-advice did change the industry permanently in a few important ways. Robo platforms reset expectations around:

- The cost of accessing models
- Lower (or eliminated) model minimums
- The value of a digital servicing experience that reduces friction for both clients and advisors

Direct-to-consumer robo-models largely struggled to gain meaningful traction, which is why many providers ultimately pivoted to hybrid approaches that reintroduced human advice into the process. Meanwhile, incumbents responded by layering technology onto existing advice models. Collectively, those efforts made one thing clear: The winning applications weren't about replacing advisors, they were about making advice delivery more scalable.

In my own experience leading an initiative at a large wealth firm, we built technology with advisors as the primary delivery mechanism for ongoing advice. What advisors valued most were not flashy front-end features but practical leverage that allowed for:

- Lower model minimums that expanded who they could serve profitably
- A digital servicing layer that reduced low-value inbound calls and preserved the most important client interactions

Somewhat counterintuitively, the proposal-to-account-opening workflow wasn't the top priority. The most meaningful value drivers were those that improved the scalability of advice delivery—not those designed to remove the human element.

AI feels similar today. It's often framed as a threat to the advisory business, but its impact on how advisors work is directionally inevitable. Many of the benefits introduced by robo-advisors will become significantly more powerful and far more pervasive with AI embedded across advisory platforms.

The result will be advisors who can:

- Serve more households at scale
- Deliver higher personalization
- Run more efficient service models without degrading the client experience

More importantly, if someone argues investors will get everything they need from a self-service AI experience, that view has to account for the flip side—the incremental capabilities advisors will gain as AI delivers advantages to them, not their replacement.

Ultimately robo-advisors taught us that advisors don't lose to technology—they lose to advisors who adopt it. And that same dynamic will play out even more dramatically with AI.

## The Impact of AI

***Q: AI still seems conceptual to most and may remain that way for many over the near term; a lot depends on where advisors sit, e.g., wirehouse versus independent, and their operational realities.***

The impact of AI exists along a continuum rather than as a single adoption curve.

At the wirehouse end of the spectrum, adoption tends to be more constrained. These firms operate under multiple regulatory regimes, heightened supervision, and significant reputational risk, which naturally leads to a cautious posture. As a result, AI is more likely to show up first as tightly scoped, copilot-style capabilities, i.e., approved use cases that improve productivity without introducing uncontrolled client-facing risk. That said, wirehouses also have a meaningful structural advantage: a relatively unified technology stack. When they do move, they can drive governance, consistency, and scale in a way few others can, even if progress appears slower from the outside.

Independent broker-dealers (IBDs) often sit in the middle. They generally have more flexibility and fewer overlapping oversight bodies, which can allow for faster

experimentation and easier approval of point solutions. However, that flexibility comes with trade-offs. Many IBDs support a wide range of advisor technology choices, creating a fragmented environment at the home-office level. Deploying AI across that complexity—integrating workflows, enforcing consistent controls, and governing data access—materially is harder. The result is that advisors often see more tools sooner, e.g., notetakers and meeting summaries, and more advanced, agentic operational capabilities take longer to roll out due to data and workflow dependencies.

Registered investment advisors (RIAs) sit at the far end of the continuum. Many RIAs have substantial latitude to adopt new tools quickly, but they often lack the scale, resources, and institutional governance of larger firms. That can lead to tool sprawl, inconsistent controls, and integration challenges, along with a higher likelihood of costly mistakes. At the same time, RIAs likely will be the fastest to prove what's possible, and their pace should be a real concern for incumbents: AI gives RIAs a path to bridge the scale and resource gap that historically favored large platforms.

Taken together, this continuum explains why AI progress looks uneven across the industry despite a shared direction of travel. Each segment faces a different mix of regulatory pressure, technology architecture, and organizational scale, which shapes both the pace of adoption and the form it takes. The implication is not that one model is inherently advantaged but that success will depend on how deliberately firms navigate their constraints, moving from isolated tools toward integrated workflows, and from experimentation toward operational impact. Over time, the differentiator will be less about who adopts AI first and more about who embeds it most effectively into the way advice is delivered.

## Tourist, Native, Hybrid

***Q: What are the pros and cons of full versus selective adoption?***

Most firms will live in the middle. Very few can be truly AI-native, and very few will remain tourists forever. The more useful distinction is whether AI is applied as an overlay on existing workflows or used to redesign the workflows themselves. That distinction matters because firms have the opportunity to automate what they already do, and to rethink how work is structured and where human effort is best applied.

What ultimately determines success is less the sophistication of AI and more how intentionally it is embedded into day-to-day operations. Advisors do not change behavior meaningfully simply because a better tool exists. Change happens when workflows themselves evolve in a way that naturally channels work through new paths over time. When AI is designed into the workflow, rather than layered on top of it, it becomes part of how the business operates instead of an optional enhancement.

This shift requires more than technology. Redesigning workflows introduces new expectations about how work travels through the organization, which in turn requires thoughtful change management to support adoption. Without that support, even well-designed AI capabilities risk replicating existing processes in automated form rather than enabling fundamentally better ones. In that sense, the real opportunity with AI is efficiency and the ability to reshape operating models—moving from automation of today's work to the creation of more scalable, durable ways of working.

## Paths of Adoption

***Q: Will this adoption be intermediated by internal technology teams versus onboarding customized AI capabilities a la carte, or something in between?***

Many firms will engage initially with AI through their internal technology teams, focusing on bespoke, task-specific capabilities that align closely with existing systems, data, and governance models. This approach offers clear advantages: tighter integration with proprietary data, stronger control over compliance and risk, and architectural consistency with the firm's broader technology strategy. Over time, these efforts can evolve into a strong orchestration layer that coordinates AI-driven workflows across the enterprise.

At the same time, building advanced, workflow-level AI capabilities internally often comes with longer time horizons. Internal teams must balance experimentation with core platform responsibilities, security reviews, and regulatory obligations. As a result, progress toward meaningful business impact can be incremental, in particular when the goal is not just automation of isolated tasks but end-to-end workflow transformation.

In practice, many firms are finding value in a hybrid model. Core platforms and horizontal AI capabilities remain owned and governed by internal teams, and specialist partners are brought in to help introduce domain-specific AI workflows and provide practical guidance along the way. These specialists bring pattern recognition from similar implementations, allowing firms to accelerate the automation of complex workflows without compromising governance or architectural control.

In this construct, internal technology teams remain firmly in the driver's seat. Specialists do not replace internal capabilities; they complement them and help firms move faster, reduce execution risk, and translate AI from experimentation into operational impact. Over time, this collaboration often strengthens the firm's internal AI strategy by making advanced use cases tangible and actionable.

## Benchmarking Use Cases and Pricing Models

***Q: What about pricing? Is there any way to benchmark use cases and costs? Are folks making it up as they go?***

Early on, some experimentation is inevitable. Firms are testing different pricing constructs as they learn which use cases reliably translate into measurable business impact. The reality is that this reflects a market in the

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process of discovering where value is created consistently and how best to align pricing with that value.

Over time, the most durable pricing models anchor themselves to commercial outcomes. That does not mean pricing simply equals value captured; in many cases the business impact of an AI capability can far exceed the marginal cost of deploying it. Sustainable pricing lives in the balance between demonstrable return on investment and fairness—ensuring the customer sees clear economic benefit and the provider prices in a way that is reasonable, repeatable, and defensible.

Practically, organizations can benchmark AI investments by starting with use cases rather than tools. The right question is not "What does this cost?" but "What business metric does this move?"—coverage ratios, time saved per advisor, incremental revenue, reduced operational load, or improved risk controls. Once those metrics are defined, pricing can be evaluated in the same way firms assess any strategic investment: relative to cost savings, growth potential, and opportunity cost.

The market still is finding its equilibrium, but the direction is clear. Experience alone is not enough to justify AI investment. Pricing increasingly will be shaped by measurable commercial impact, with the most successful models striking a thoughtful balance between value delivered and price paid.

## The Adoption Process

***Q: Is there some optimal road map for priority or sequenced onboarding of AI functionality, a natural transition to an AI-inflected operational framework?***

Early use cases typically sit behind the scenes. These are low-risk, low-visibility applications that support advisors operationally without changing the client experience, i.e., functions such as summarization, data reconciliation, meeting preparation, or internal workflow automation. Because these functions are not client-facing, they require a lower trust threshold and are easier for firms to approve and scale.

As confidence builds, firms move toward more complex, multi-step workflows in the middle and back office. These use cases still operate largely out of view of the client, but they begin to touch more interconnected processes. Adoption here is more incremental. Rather than a single leap to end-to-end automation, firms tend to layer functionality over time, allowing controls, supervision, and exception handling to mature alongside the technology.

Client-facing use cases—in particular unsupervised communication—sit much later in the road map. These require the highest level of trust, governance, and confidence in outcomes, especially in regulated environments. As a result, they tend to emerge only after firms have built experience with AI in less visible parts of the workflow and have established clear oversight mechanisms.

Over the longer term, there also is a cultural evolution that accompanies this progression. Today, when workload increases, the default response often is to add headcount. Over time, that mindset will shift. Advisors and firms increasingly will ask whether incremental work can be automated, assisted, or scaled through AI first, turning to hiring only when the answer is no. That change in how questions are framed is as important as the technology itself.

So, although there may not be a single, rigid road map, there is a very consistent pattern of adoption: Start where trust requirements are lowest, complexity is contained, and value is immediate; expand as confidence and governance mature; and ultimately rethink how work is allocated among people and technology. That evolution already is underway, and it likely is how AI becomes embedded into the advisor operating model in a durable way.

## Key Takeaways

Stepping back, the common thread across all of this is that AI adoption in wealth management is less about any single technology decision and more about how firms choose to evolve their operating models. The firms that make progress will be those that treat AI as a capability to be integrated thoughtfully into workflows, governance, and day-to-day decision-making rather than as a standalone tool or a one-time initiative. That evolution will look different across wirehouses, IBDs, and RIAs, and it will unfold at different speeds, but the direction is consistent. The real winners will be those that combine disciplined experimentation with a clear focus on commercial impact, using AI to scale advice, improve outcomes, and reshape how work gets done—without losing sight of the human role at the center of the advisory relationship.

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