

Harnessing the Power of Data: Building AI-Enabled Futures in Credit and Finance

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Abstract

Artificial Intelligence (AI) has emerged as a transformative force, heralding a new era of efficiency, accuracy, and personalized service for many industries. But we are still in the early days of it all. So what's all the hype about and what does it mean for the world of credit? At its core, AI is about simulating human intelligence processes by machines, especially computer systems, to perform tasks ranging from data analysis to automated reasoning and learning from experiences. For credit professionals, this means a significant shift in how data is used, risks are managed, and decisions are made, opening up unparalleled opportunities for innovation and competitive advantage.

This article aims to demystify AI, particularly for those in the credit and finance sector who might find the concept both intriguing and intimidating. With minimal technical jargon, we'll explore the fundamentals of AI, including its various forms like machine learning (ML) and large language models (LLMs), and discuss their relevance to the daily operations of credit professionals. By illustrating how AI can leverage vast amounts of data—including project information and invoice data—this article will highlight the potential to build powerful, predictive datasets that can reshape the way credit decisions are made, risks are assessed, and customer relationships are managed.

Moreover, we will showcase the immense power of data in building these datasets. Data, often seen as mere records or transactions, is the lifeblood of AI. When properly harnessed, it provides the insights and learning opportunities that AI systems need to predict, decide, and personalize at scale. As we peel back the layers of complexity surrounding AI, our goal is to offer a clear, accessible overview that not only enlightens but also empowers credit and finance professionals to envision and work towards a future where AI is an integral part of their toolkit, reshaping the credit and finance landscape into one that is more efficient, accurate, and innovative.

Section 1. Demystifying AI for Credit Professionals

Artificial Intelligence (AI) stands as a beacon of innovation in the vast ocean of credit and finance, promising to redefine traditional practices with its advanced capabilities. At its essence, AI involves creating machines or systems that can perform tasks requiring human-like intelligence, including learning, decision-making, and problem-solving. This groundbreaking technology branches into various domains, with Machine Learning (ML) and Large Language Models (LLMs) being particularly relevant for credit professionals.

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