



IDC Study on AI in Canadian Financial Services: **Trends, Challenges, and Successes**

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The objective of the study is exploring the challenges that financial institutions face with artificial intelligence (AI) and how they are being addressed. The timing of the study's underlying research (March-April 2020) allows for an early look at COVID-19 impacts on Canadian financial services and potential technology responses. These observations are contained in Chapter 1 of the study. The study was independently conducted by IDC on behalf of Microsoft Canada.

Differentiated customer experience is the cornerstone of competitiveness in the financial services sector as it faces a digital revolution. The Canadian financial services sector knows it's facing major challenges due to digitization — challenges that are accelerating due to a pandemic and the new realities of work and business. AI has great promise for helping make the process changes necessary to achieve smart banking and insurance, but it has been difficult for many financial institutions to quantify AI's impact across key sector challenges such as modernizing payments and core banking, managing risk, fighting financial crime, and improving employee productivity.

The foundational digital need for banking and insurance has been modernization of payments and infrastructure. The digital revolution, however, is about more than moving to digital banking and insurance platforms. Using the power of digital to increase competitiveness by serving people — both customers and employees — better is now critical to businesses' surviving in pandemic conditions, thriving post-pandemic, and meeting the great productivity and innovation challenge facing Canadian financial services.

"Advanced economies ... such as Canada's, must ... look beyond traditional inputs and seek to increase their productivity through competition and innovation. Financial services have a vital role to play in these efforts. Unfortunately, Canada's productivity growth has lagged behind that of its international peers for the past 15 years. The financial services sector, with its unique ability to improve its own productivity and the overall economy's, has also fallen short in contributing to Canada's overall productivity growth over that period.

"Despite its potential, the sector falls short, and its overall contribution to Canada's productivity growth is 'underwhelming.'"

—Omran F. and Kronick J. 2019. "Productivity and the Financial Services Sector - How to Achieve New Heights" Commentary 555. Toronto: C.D. Howe Institute. October.

Innovation and Technology Leaders Play a Critical Role in Supporting Financial Services

Innovation and technology leaders play a critical role in supporting financial services with digital and AI platforms and knowledge. Partnering with Canadian financial services organizations to implement process digitization and develop use case solutions for AI implementation helps advance the digital agenda for the Canadian economy.

Microsoft Canada engaged IDC Canada to conduct research on the challenges financial institutions face with AI and how they are being addressed. IDC independently conducted a Canada-wide cross-industry survey of 255 business and IT decision makers. All survey participants were screened for knowledge of their organizations' usage and investment plans for AI. Fifty-one percent of survey respondents were at the level of vice president or higher; 100% of respondents were manager level or higher. Survey respondents were screened to represent organizations in the medium and large segments of Canadian organizations in line with Statistics Canada organization-size reporting.

For financial services specifically, there were 79 survey respondents, split between banking (38%), insurance (37%), and investment/capital markets (25%). Sixty-eight percent of financial services respondents were at the level of vice president or higher. Thirty percent of the financial services organizations represented in the survey were in the 1,000+ employee-size range, 40% were in the 500-999 employee range, and 30% were in the below-500 employee range.

The research was conducted over the course of March and April 2020 by IDC on behalf of Microsoft Canada.



Key Findings

CHAPTER 1

AI can be used to help address specific financial services COVID-19 challenges

- AI-supported anti-fraud scale and efficiency benefits as social engineering attacks surge and malicious actors shift how they target consumers and business
- AI-enabled intelligent automation of financial services workflows for scalability and efficiency
- AI-supported analytics for risk management; and AI-enabled data ingestion and translation tools to help increase the amount and sources of data available for risk management analysis
- AI-assisted analytics to support loan accommodation and credit risk decision-making
- Call centre automation and AI-based chat for low-touch customer interactions; and AI-supported customer analytics for differentiation of high-value customer-to-agent interactions

CHAPTER 2

AI is being used by the majority of Canadian financial services organizations with quantifiable ROI

- The use of AI has significant business impacts across key areas spanning customer experience, modernization of core infrastructure, risk, product and service development, anti-fraud and employee productivity
- Process and workflow specific AI solutions drive quantifiable in dollars ROI
- Successful AI implementations are based on use cases with known operational impacts
- Implement AI within existing operational processes and workflows for success

CHAPTER 3

Technology providers are key partners for Canadian AI commercialization

- Study respondents identify Microsoft as the leader in having the strongest network of partners for applications and software development in financial services
- The study shows AI implementation in Canadian financial services is driven by sector-specific operational process and workflow knowledge
- Turning AI proof-of-concepts into implementations depends on using this knowledge to guide solution development
- Canada's technology solution partner network is its greatest source of home-bred IT and sector-specific process and workflow knowledge and is critical for retaining AI-derived profits in country

CHAPTER 4

Canadian financial institutions need to solve data and process issues to accelerate AI adoption

- Many processes and workflows still need to be digitized
- Data preparedness levels are lagging in areas that are crucial for managing data, using it in volume, and using it without undue regulatory, privacy and business risk:
 - Data infrastructure, administration and management
 - Data ingestion and translation
 - Data governance
- Sharing data and models can accelerate AI development – but is not common practice

CHAPTER 5

AI talent and skillset gap hinders financial services AI adoption

- Many Canadian financial services organizations employ AI-specific skillsets but talent is still the top barrier to widespread implementation of AI identified by study respondents
- Talent and preparedness in identifying AI use cases, building ROI for AI, and lack of in-house machine learning coding and programming skills are major implementation barriers
- AI projects are too often set up without determining an operational use case or ROI
- Financial services firms have problems identifying the right people to hire for AI and convincing them to work in a financial services project environment

Chapter 1

AI Can Be Used to Address Specific Financial Services COVID-19 Challenges

IDC Canada estimates that IT spending in the Canadian financial services sector will decline by 5.5% in 2020, recovering to 1.1% growth in 2021, as a result of COVID-19-related impacts. IDC estimates that total Canadian IT spending across all industries, including financial services, will decline by 5.2% (optimistic forecast) to 13.9% (pessimistic forecast) in 2020, rebounding somewhat in 2021. (*Source: IDC Canada Market Model, May 2020*)

COVID-19 poses decision-making, customer service, fraud, risk management, and digital reach, scale, and efficiency challenges for Canadian financial services. AI has the potential to help address these challenges in specifically targeted uses with bottom-line impact.

Lending receivables and loan originations:

- AI-assisted analytics can play a key role in supporting loan accommodation and credit risk decision-making in areas such as lending receivables and loan originations, which may continue to experience COVID-19-related impacts for months, if not years.

Call centre and customer service:

- Call centre automation and AI-based chat already enhance call centre efficiency and productivity for low-touch interactions. AI-supported customer analytics can be a differentiator for call centres' level of person-to-person service for high-touch and high-value interactions — a potentially critical competitive differentiator when the call centre may become the primary means of person-to-person customer contact post-pandemic.

Fraud detection and prevention:

- IDC Canada and other research shows that COVID-19 is driving a surge in social engineering cyberattacks. AI-supported fraud detection and prevention models will need to be retuned to account for shifts in how malicious actors are targeting consumers and businesses. As models are retuned, the scale and efficiency benefits of AI for fraud detection and prevention can be brought to bear.
- This is also an area where cooperative efforts between technology vendors and financial services organizations to enable data and model sharing could significantly enhance financial services' ability to fight crime. The majority of study respondents believe that their organizations will consider sharing both data and AI/ML models to support this.

Risk management:

> AI-supported analytics can help fulfill increased risk management analysis requirements due to COVID-19 impacts. AI can also help increase the amount and sources of data available for risk management analysis with AI-enabled data ingestion and translation tools.

Workflow and process automation:

> The study results show that many financial services workflows are heavily reliant on manual processing of information. AI-enabled intelligent automation of financial services workflows and processes will be crucial for providing the scalability and efficiency required in the new remote and digital post-pandemic environment.



Q Which of the following companies do you identify as the leader in providing artificial intelligence (AI) and machine learning (ML) tools and solutions for:

	Microsoft	Google	IBM	Amazon/AWS
Fraud detection	38%	29%	25%	8%
Anti-money laundering (AML) and Know your customer (KYC)	29%	27%	26%	18%
Data ingestion	33%	29%	21%	17%
Data translation	26%	25%	25%	24%

Chapter 2

AI Is Being Used Right Now, With Quantifiable ROI, by the Majority of Canadian Financial Services Organizations

The business impact of AI crosses all key financial services operational areas.

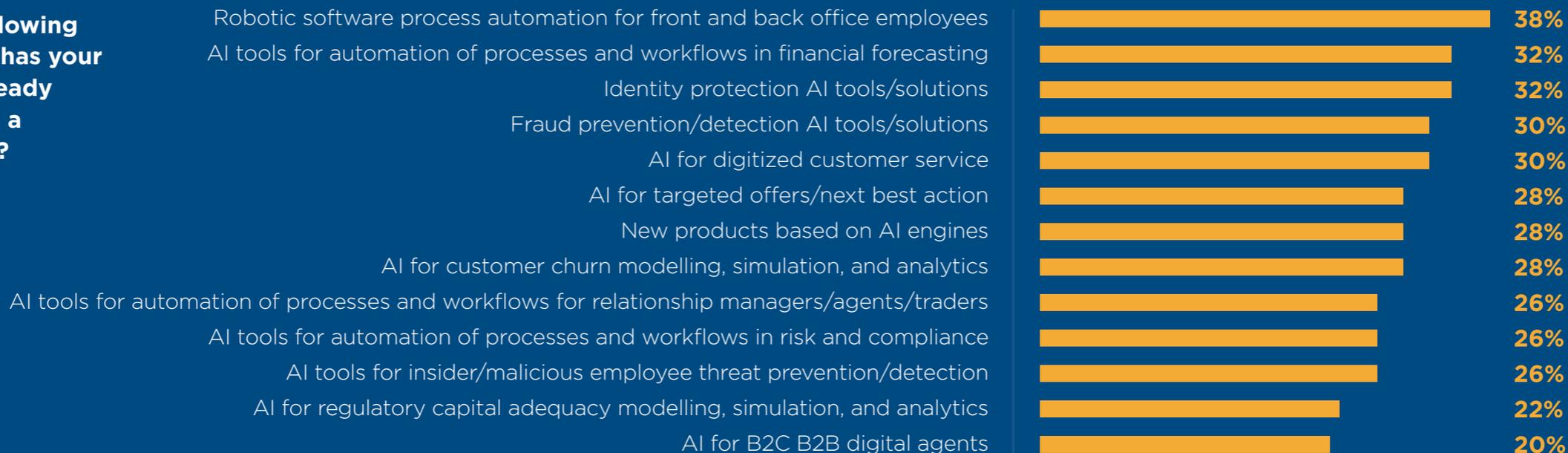
The study results tell us that AI is being used right now, by the majority of Canadian financial services organizations, in key operational areas: customer experience, modernization of core infrastructure, risk, product and service development, anti-fraud, and employee productivity. But this is not the "big visibility" AI of innovation lab proofs of concept. This is AI being implemented without fanfare for highly targeted use cases with known operational impacts. Cumulatively, processes and workflows are being changed piece by piece without having to tear them down or try to replace them with something new.

There is significant Canadian financial services adoption of AI use cases that drive business change.

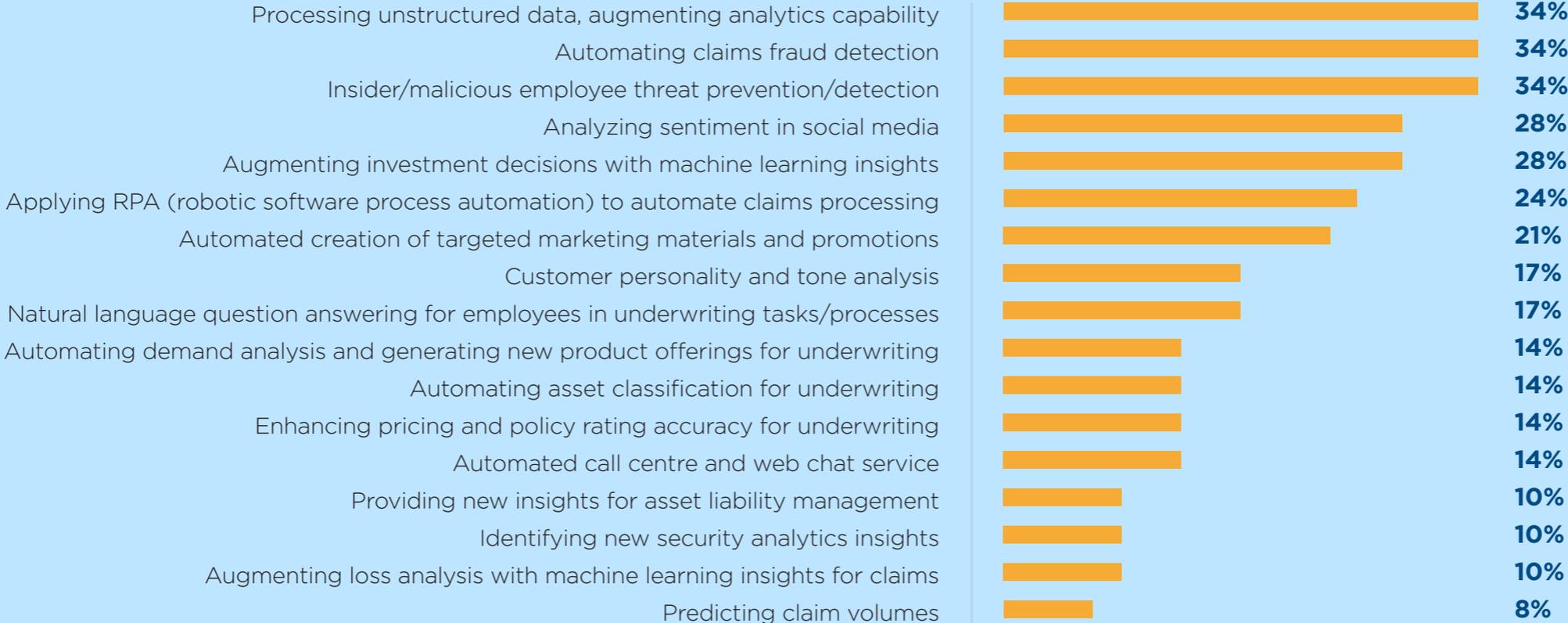


Banking and Capital Markets

Which of the following use cases for AI has your organization already implemented on a significant basis?



Insurance



Implement AI within existing operational processes and workflows for success.

AI implemented within existing operational processes and workflows has no problem demonstrating business value because it is complementary to operations. Critically, AI implemented this way does not always use data in a "massive data" sense. The data required is often relatively easily defined and obtained operational data. Often the AI use case doesn't even use data but targets more scalable, accurate data intake/obtention and processing instead. Keeping this context in mind, the study results show key AI use cases being associated with delivering specific business outcomes.

Key AI use cases to look at for driving specific business outcomes

Q Artificial intelligence proof of concept projects have been having a difficult time demonstrating ROI. For your organization, specifically, select which of the following has had the: (only organizations that have already implemented the use case were asked the question)

Banking and Capital Markets 	
Greatest near-term revenue impact	New products based on AI Engines Fraud Prevention / Detection AI Tools / Solutions
Highest success in delivering process / workflow efficiencies for employees	Robotic Software Process Automation for Front and Back Office Employees AI for Regulatory Capital Adequacy Modelling, Simulation, and Analytics
Highest success in improving the security of our operations	Robotic Software Process Automation for Front and Back Office Employees

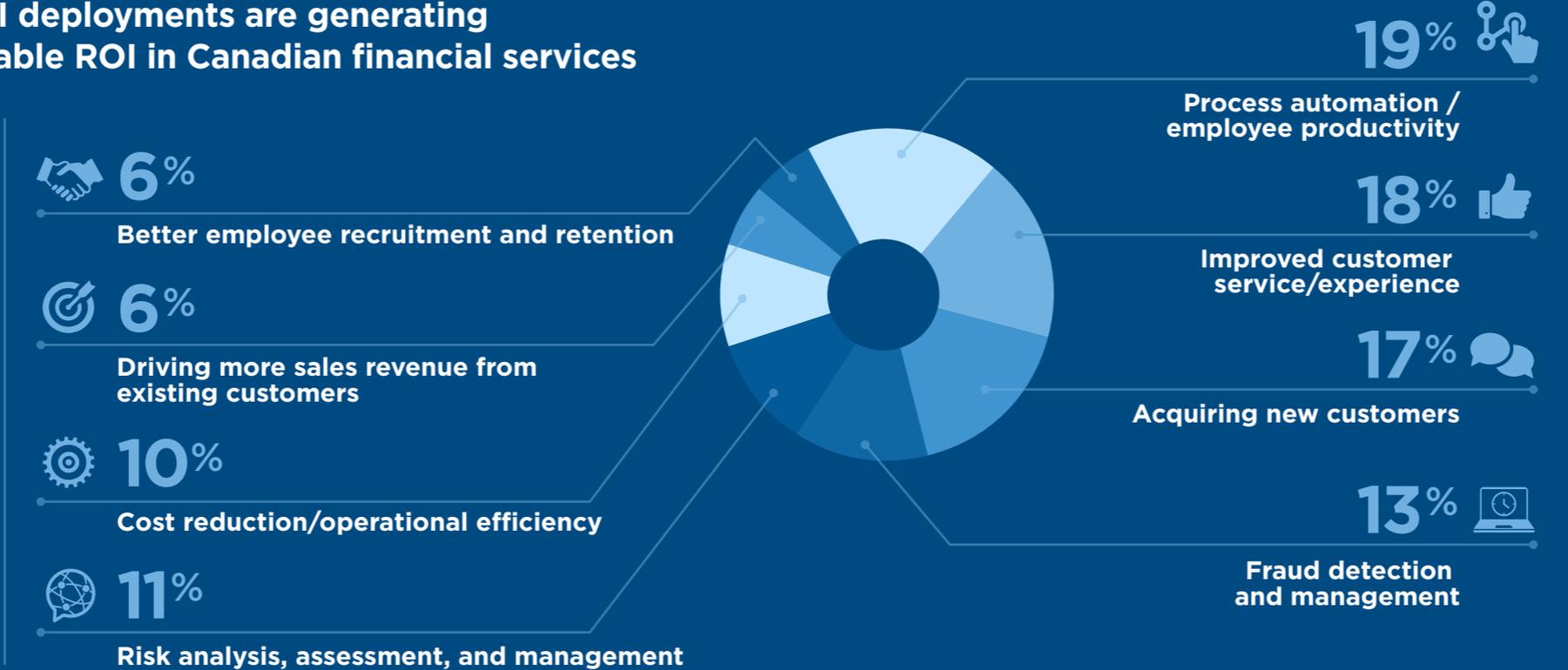
Insurance 	
Greatest near-term revenue impact	Applying RPA (robotic software process automation) to Automate Claims Processing Insider / Malicious Employee Threat Prevention / Detection
Highest success in delivering process / workflow efficiencies for employees	Identifying New Security Analytics Insights Automated Call Centre and Web Chat Service
Highest success in improving the security of our operations	Insider / Malicious Employee Threat Prevention / Detection

AI is delivering quantifiable "in dollars" business value right now.

One of the greatest barriers to financial services AI adoption is demonstrating business value. When asked what "immediate and recognizable in dollars" benefits their AI deployments have provided, 100% of study respondents indicated that they are generating ROI. These dollar-quantifiable ROI areas highlight how AI solutions that address operational use cases, like those highlighted in this study, deliver business value by targeting business outcomes.

Q Where is the greatest immediate and recognizable (in \$) operational benefit of AI-related technologies? (only organizations that have deployed AI use cases were asked the question)

Areas where AI deployments are generating dollar-quantifiable ROI in Canadian financial services



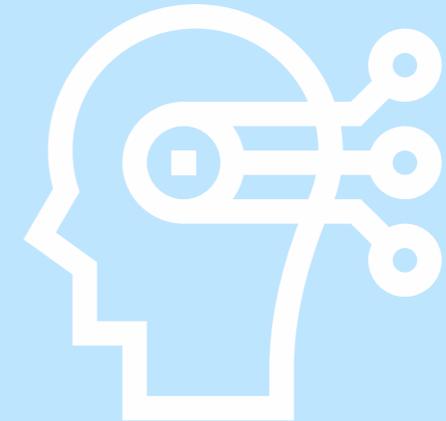
Case Study: PureFacts

With data anomaly detection, many wealth management firms run about four different types of reports on the quality of their data and then look through the reports line by line to find anomalies.

The PureFacts platform uses machine learning to identify anomalous patterns in investors' data and flag them for financial advisors. It then captures advisors' feedback on how they dealt with an anomaly, such as whether they confirm everything is normal or continue to investigate. This data is in turn used to continuously retrain the model for greater accuracy. Currently, the data anomaly model can catch 80% of issues with up to 90% confidence, cutting an incredible amount of work versus manual methods while identifying anomalies with far greater accuracy.

With machine learning, advisors have a proactive tool for identifying errors from misvalued or mispriced assets from custodial or portfolio-management data. The tool helps address a significant workflow bottleneck because, during the time that would have been spent manually identifying and correcting errors, advisors cannot process fees or issue account statements.

PURΣFACTS



“ Ultimately, we will have enough data and model training to let the solution start fixing anomalies automatically. Our approach is different from the common method of defining and building risk controls around certain anomalies that solution providers are already aware of. It's easy to miss the rare occasions when new systemic issues arise, and it means you're not really providing a proactive mechanism for finding issues and ultimately preventing costly mistakes. The impact on ROI for our clients is very real. ”

—Victor Skrylev, President, PureFacts

Chapter 3

Technology Providers are Key Partners for Canadian AI Commercialization

Retention of AI-derived profits in Canada depends on local solution builders.

The study shows that AI implementation in Canadian financial services is driven by sector-specific operational process and workflow knowledge. Financial institutions that are successful in turning AI proofs of concept into AI implementations use this knowledge to guide AI solution development. The Canadian government has focused much of its AI support on the education of data science skill sets and job growth, but the ability to translate this to Canadian profits depends on the sector expertise of locally headquartered solution builders. Worldwide technology vendors that provide the greatest amount of support to and rely on local Canadian firms as their go-to-market channel are doing the most to commercialize operational AI in Canada and keep profits in-country.

...[N]egative economic spillovers [can be created] for a country such as Canada that subsidizes key services such as education and health care in addition to the incentives it offers for companies to conduct research and development and to create jobs. It's important to note that Canada has negative unemployment among data and computer scientists. Such incentives create wage inflation for Canadian firms that require such talent for their growth...

“This is not a theoretical argument. Canadians have been at the forefront of the development of the base artificial-intelligence (AI) algorithms at our universities. This has created much hype about Canada leading the global AI revolution.”

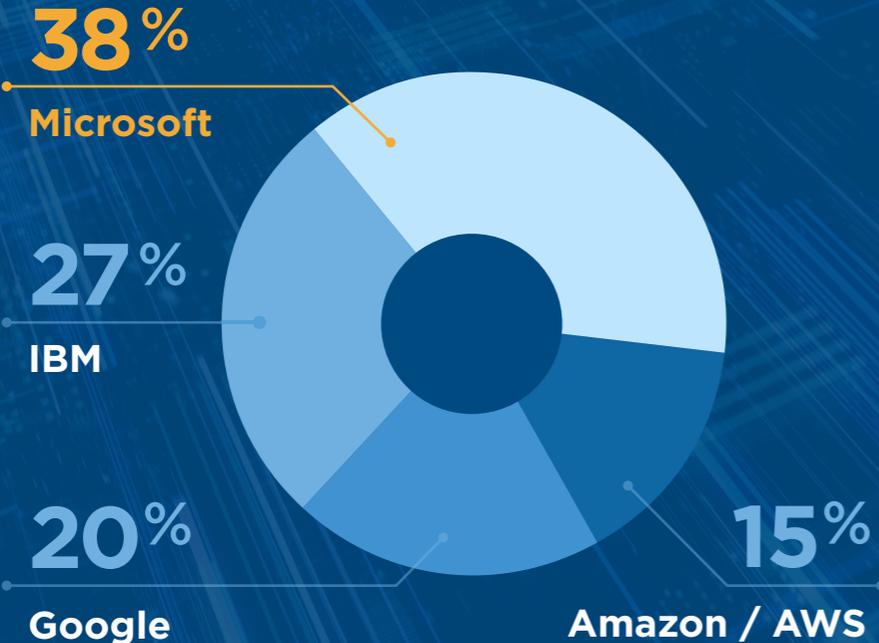
“This is true at the ideation phase, but when we look to who ultimately owns such ideas and can extract significant rents from them, look no further than the largest foreign multinational firms, which have acquired the intellectual property (IP) in exchange for what seems to be research funding to a university or a job for the faculty member. This is the case with Geoffrey Hinton’s ground-breaking AI research, often associated with the University of Toronto, which has been patented by [a foreign multinational].”

—Neil Desai, Senior Fellow, Munk School of Global Affairs and Public Policy, University of Toronto; Vice President, Magnet Forensics.
 “Canadian Innovation Needs to Marry Invention with Commercialization,” *The Globe and Mail*, June 6, 2019

Canada’s technology-solution partner network is its greatest source of homebred IT and sector-specific operational process and workflow knowledge. The AI solutions they are building and implementing on worldwide cloud and AI platforms are our best chance to keep AI profits in-country.

Study respondents' view of major cloud and AI platform technology vendors' local solution-builder network strength:

Q Among the following IT companies, which do you identify as being the leader in: Having the strongest network of partners for solutions and software development in financial services?



Chapter 4

Canadian Financial Institutions Need to Solve Data and Process Issues to Accelerate AI Adoption

When IDC Canada talks to financial services decision-makers, they identify process and workflow change as the key innovation challenge in improving service. How process and workflows are reimaged to optimize product and service development and delivery in a digital-first world sets the direction for how an organization can utilize its data. Rather than taking a data-first approach, operationalizing data requires a data AND process/workflow approach. AI enables data, process, and workflow innovation, but AI implementation faces many data and process barriers in financial services.

Digitization of processes and workflows will accelerate financial services AI implementation but is incomplete.

A. Customer experience digitization is incomplete.



On a scale of 1-10, how digitized and automated are your organization's processes and workflows that support the following customer facilitation areas:

Close to or fully digitized processes

Provision of products and services information to customers	38%
Identification of individual customers' products and services needs	34%
Background processes and administration for delivery of anywhere, anytime, any device customer assistance	34%
Personalization of guidance for customers at significant personal touchpoints (e.g., buying a house, getting married, having children, retiring, etc.)	32%

B. Employee experience digitization is incomplete.



On a scale of 1-10, how digitized and automated are your organization's business processes and workflows that support the following employee facilitation areas:

Close to or fully digitized processes

Front and back office manual, paper-based, and/or repetitive tasks in workflows or employees' job responsibilities (how much has been digitized and automated?)	44%
Providing employees with a complete, integrated view of customer interaction/contact/call centre/information request, etc.	42%
Providing employees with a complete, integrated view of customer product and services transactional histories	35%
Providing employees with a "360 degree" view of all relevant business information for customers they serve	33%
Providing employees with appropriate contextual information to enable them to provide highly personalized service to individual customers	32%

C. Digitization and automation of anti-fraud and cyber security could be higher.

 On a scale of 1-10, how much automation has your organization incorporated into its processes, workflows, and controls in the following areas:

Close to or fully digitized processes

Fraud detection	48%
Anti-money laundering (AML) and Know Your Customer (KYC) processes and mechanisms	47%
Cybersecurity recovery back-to-trusted-state mechanisms	43%
Customer fraud and corrective measure alerts	42%
Insider/malicious employee threat prevention/detection	40%
Cybersecurity threat detection	40%
Cybersecurity orchestration and response	34%

D. Digitization of risk assessment and modelling processes and workflows is incomplete.

 On a scale of 1-10, how much digitization versus manual processing has your organization incorporated in its processes and workflows for the following risk assessment and modelling areas:

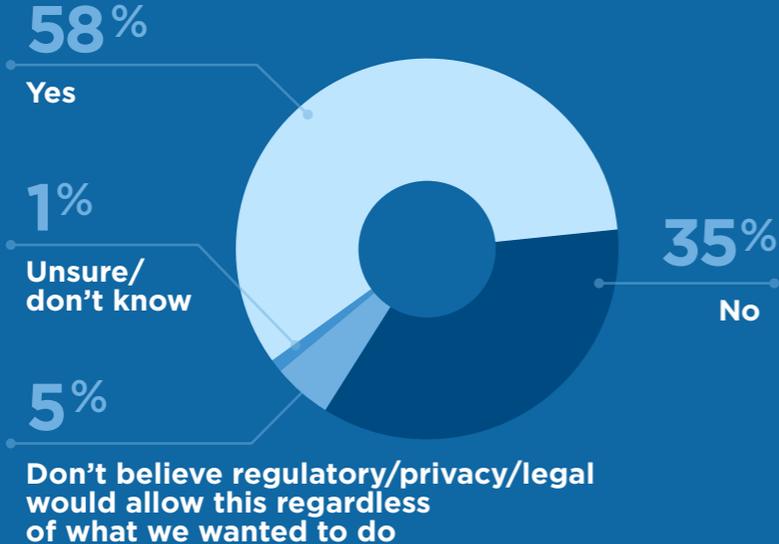
Close to or fully digitized processes

Regulatory compliance risk assessment	43%
Risk modelling, simulation, and analytics	39%
Translation of structured and unstructured data into formats usable by your organization's systems	38%
Organizational risk assessment	35%
Credit lending risk assessment	33%
Collection of structured and unstructured data to be used in risk assessments	27%

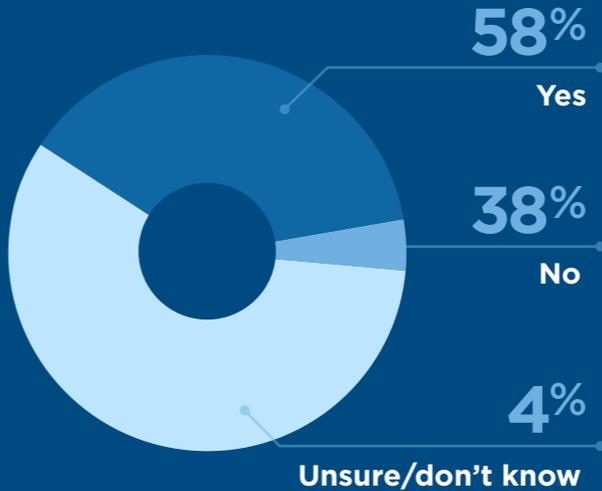
Sharing data and models can accelerate AI development and directly impact bottom lines.

An emerging opportunity to further increase the efficiency and speed of operational risk management’s response to criminal activity is cooperation. Partnerships with innovation and technology leaders working with operational risk management to establish “neutral” non-competitive data and AI model sharing have great potential. By providing more comprehensive data sets and speeding model iteration and tuning, cooperative efforts to enable data and model sharing could significantly enhance financial services’ ability to fight crime. The majority of financial services study respondents believe that their organizations will consider sharing both data and AI/ML models to support this.

Q Do you believe your organization would consider sharing customer and business data with competitors for the creation and use of consolidated data sets for purposes such as fraud detection and cyber security?



Q Do you believe your organization would consider sharing AI/ML models it has/might develop in-house with competitors (in return for them sharing) where it wouldn't impact competitiveness?



Key data preparedness areas supporting AI need to improve.

Canadian financial services organizations' data preparedness levels are lagging in areas that are crucial for managing data, using data in volume, and using it without undue regulatory, privacy, and business risk:

- > Data infrastructure, administration, and management
- > Data ingestion and translation
- > Data governance

Q On a scale of 1-5, how prepared is your organization in the following data skillset and technical areas that support AI implementation?

Skillssets prepared or close to prepared

Data infrastructure/administration/management processes and discipline	44%
Establishment of data governance processes/practices	40%
Automation of data ingestion	39%
Automation of data translation (e.g., translation of unstructured data into usable formats)	37%

Case Study: Borrowell

Leveraging cloud computing and AI capabilities can help address the challenges of operationalizing data when digitization and data preparedness still need improvement



CEO Andrew Graham, and his co-founder Eva Wong built Borrowell as the first company in Canada to introduce free credit scores and credit reports for consumers without needing to apply for credit first. Borrowell's innovative technology uses credit scores to deliver individualized product and service recommendations that improve the credit and financial well-being of customers and helps them better manage their debt. This high degree of personalization is achieved through machine learning models, which match customers to financial products based on their credit profiles, past behaviour, and preferences.

"From the financial institution side, we provide efficiencies at an operational process level, specifically, around customer qualification and acquisition. We go beyond simply identifying which customers qualify for products and services, but also matching customers with recommendations that are tailored to their financial needs and goals."

If you break down the components of what we need to do, there's a need for scale and automation. We need to ingest data in volume, and then build, test, and deploy AI models in a reliable and continuous manner. Working with a cloud and AI platform like Azure provides us with immediate scale, compute, security, and reliability acceptance in financial services, which has been a great choice for us. It allows us to concentrate on delivering operational efficiencies for our partners without worrying about whether our platform can support our data and AI requirements.

Certainly, as we've spoken to partners like banks and other financial institutions, there's never been any security concerns around building our product on Azure. Finally, having our data reside in Canada, within Canadian data centres, has also helped a lot from a security and regulatory perspective."

—Andrew Graham, CEO and co-founder, Borrowell

Chapter 5

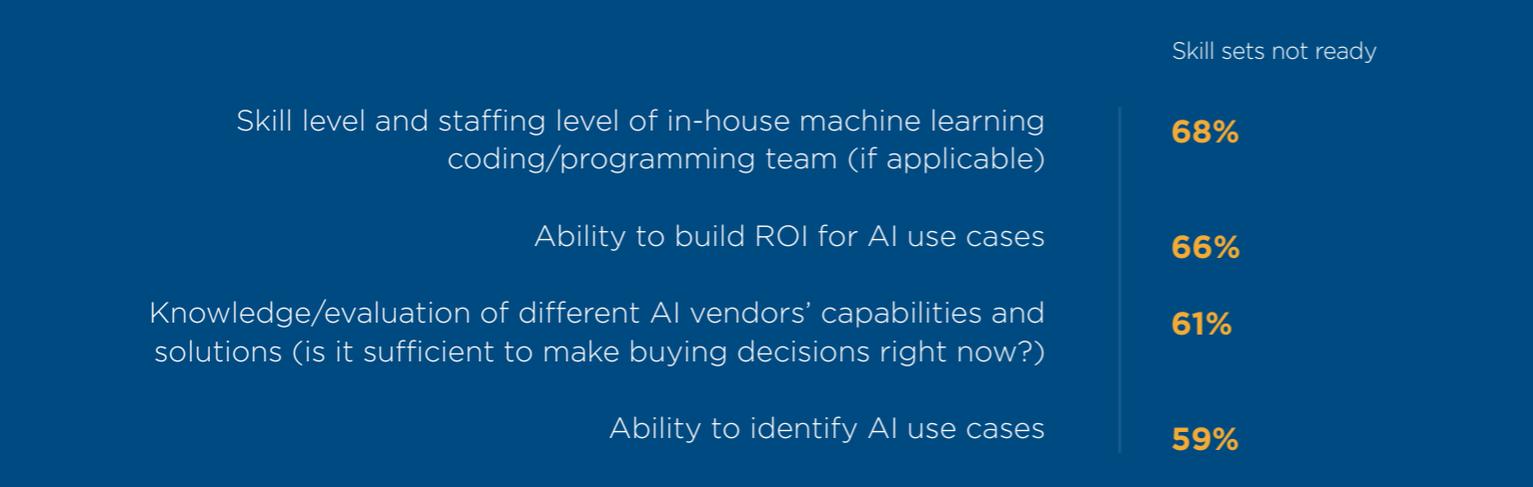
AI Talent and Skill Set Gap

- Although a significant percentage of Canadian financial services organizations employ AI-specific skill sets such as AI-specialized legal or privacy experts and AI-specialized workflow or business process analysts, the top barrier to widespread implementation of AI in financial services, as identified by study respondents, is still talent.
- Talent and preparedness in identifying AI use cases, building ROI for AI, and in-house machine learning coding/programming teams are major barriers to financial services AI implementation.
- Lack of use case ROI identification leads to classification of AI projects as strategic — i.e., projects without a determined ROI that rank relatively low for funding and implementation priority.
- Financial services firms have problems identifying the right people to hire for AI and convincing them to work in a financial services-type development and project environment.

AI talent and skill set gaps hinder financial services AI adoption.

Talent and preparedness in identifying AI use cases, building ROI for AI, and in-house machine learning coding/programming teams are perceived as major barriers to financial services AI implementation.

Q On a scale of 1-5, how prepared is your organization in the following skill set areas that support AI implementation?



Buying commercially available AI/ML tools and solutions has significant recognition as a viable alternative to building AI/ML solutions with an in-house coding team. Major cloud and AI platform technology providers have developed various training and educational programs for technical and business audiences that address questions such as "build or buy?" and development of technical AI skill sets. Specific vendors also offer financial services-specific training and educational programs.

Banking and Capital Markets

	Build with your own AI practice/ML coding team	Buy commercially available AI/ML tools and solutions	Unsure/don't know
 Robotic software process automation for front and back office employees	51%	45%	4%
 AI tools for automation of processes and workflows in financial forecasting	52%	46%	2%
  Identity protection AI tools/solutions	48%	48%	4%
  Fraud prevention/detection AI tools/solutions	48%	46%	6%
 AI for digitized customer service	46%	46%	8%
 AI for targeted offers/next best action	51%	47%	2%
 New products based on AI engines	41%	52%	7%
 AI for customer churn modelling, simulation, and analytics	42%	53%	4%
 AI tools for automation of processes and workflows for relationship managers/agents/traders	51%	41%	4%
 AI tools for automation of processes and workflows in risk and compliance	50%	39%	11%
 AI tools for insider/malicious employee threat prevention/detection	40%	56%	4%
 AI for regulatory capital adequacy modelling, simulation, and analytics	32%	57%	11%
 AI for B2C B2B digital agents	41%	53%	6%

Business Outcomes

 Anti-fraud

 Empowering employees

 Risk regulatory and compliance

 Differentiated customer experience

Insurance

	Build with your own AI practice/ML coding team	Buy commercially available AI/ML tools and solutions	Unsure/don't know
 Processing unstructured data, augmenting analytics capability	28%	68%	4%
 Automating claims fraud detection	30%	65%	4%
 Insider/malicious employee threat prevention/detection	36%	60%	4%
 Analyzing sentiment in social media	36%	64%	0%
 Augmenting investment decisions with machine learning insights	44%	52%	4%
 Applying RPA (robotic software process automation) to automate claims processing	55%	45%	0%
 Automated creation of targeted marketing materials and promotions	42%	50%	8%
 Customer personality and tone analysis	62%	33%	5%
 Natural language question answering for employees in underwriting tasks/processes	38%	54%	8%
 Automating demand analysis and generating new product offerings for underwriting	65%	35%	0%
 Automating asset classification for underwriting	33%	56%	11%
 Enhancing pricing and policy rating accuracy for underwriting	45%	45%	10%
 Automated call centre and web chat service	40%	56%	4%
 Providing new insights for asset liability management (ALM)	61%	39%	0%
 Identifying new security analytics insights	29%	71%	0%
Augmenting loss analysis with machine learning insights for claims	65%	30%	4%
Predicting claim volumes	50%	46%	4%

Business Outcomes



Anti-fraud



Empowering employees



Risk regulatory and compliance

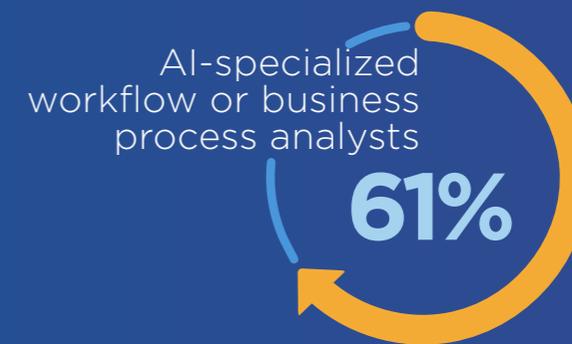


Differentiated customer experience

Although a significant percentage of Canadian financial services organizations employ AI-specific skill sets such as AI-specialized legal or privacy experts and AI-specialized workflow or business process analysts, the top barrier to widespread implementation of AI in financial services, as identified by survey respondents, is still talent.

AI-specific skill sets employed:

Q Does your organization employ:



Q Of the following three choices only, which one choice do you feel encompasses the greatest barriers to going beyond proofs of concept to deploying AI use cases in production?



Talent is the single biggest barrier to AI production deployment.

The talent gap affects AI preparedness in more ways than all organizations may realize. According to the study results, the ability to identify AI use cases and prove AI ROI is directly related to skill sets. These skill set issues include not being able to identify, recruit, and retain people who can analyze and translate business needs to data science teams, and lack of talent in areas such as AI-specialized workflow and business process analysts.

The AI talent and skill set gap is about much more than data science.

Q On a scale of 1-5, how prepared is your organization in the following skill set areas that support AI implementation?

Skill sets prepared or close to prepared

Ability to identify AI use cases	41%
Knowledge/evaluation of different AI vendors' capabilities and solutions (is it sufficient to make buying decisions right now?)	39%
Establishment of AI-specific governance processes/practices (i.e., ability to ensure deployment of Responsible AI)	36%
Establishment of a cohesive, overall AI strategy for the business (versus simply testing the waters with proofs of concept, etc.)	36%
Ability to build ROI for AI use cases	34%
Skill level and staffing level of in-house machine learning coding/programming team (if applicable)	32%

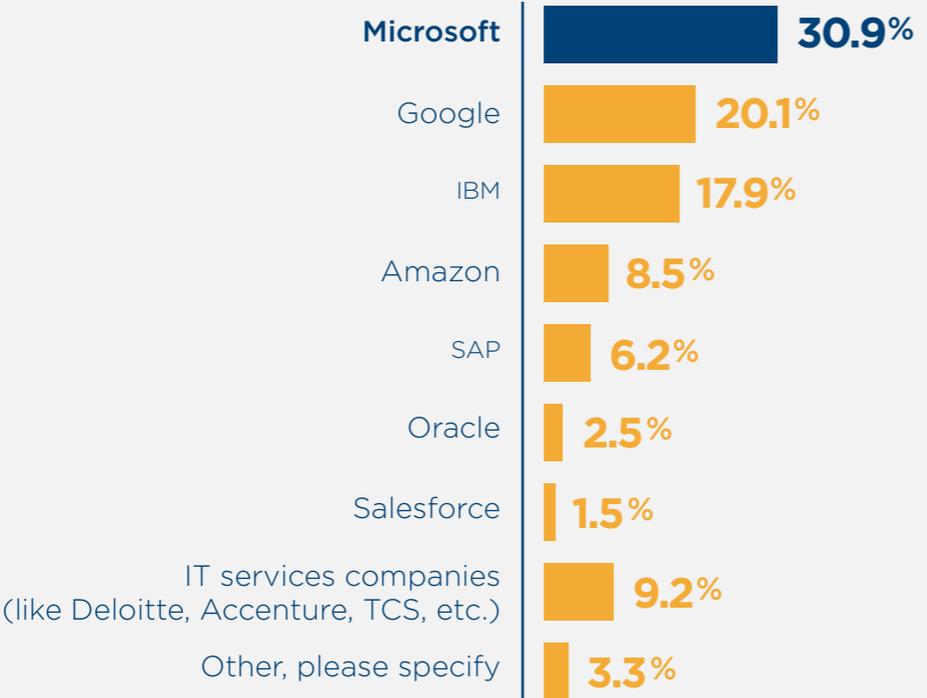


Development of AI in Canada

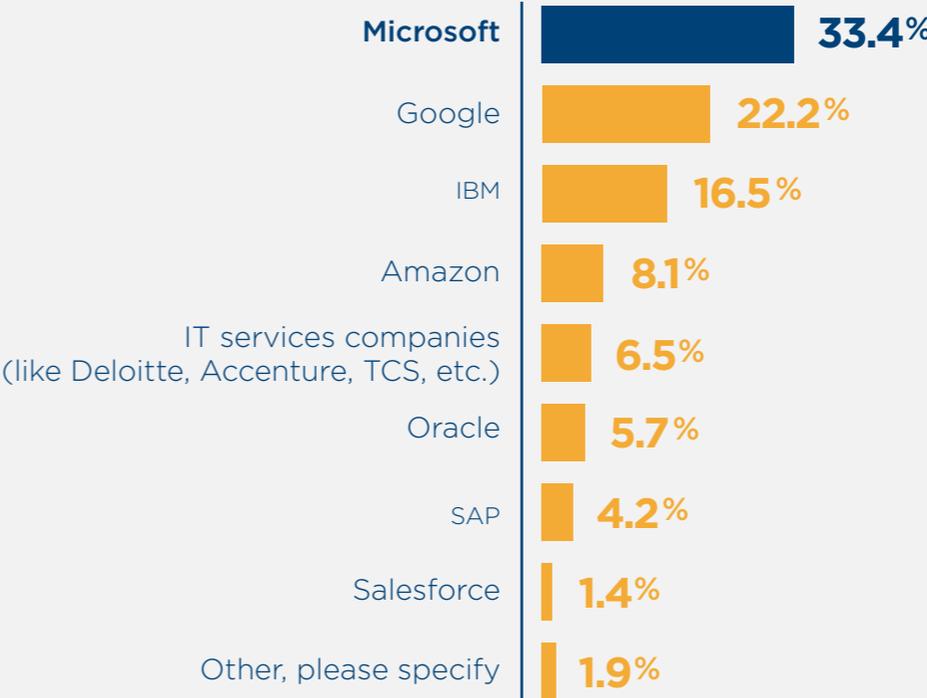
Major cloud and AI platform technology provider support for the development of AI in Canada is important for this country's competitiveness. The financial services component of this study was pulled from a larger cross-industry survey of Canadian organizations. The results from the total survey (not only financial services) show respondents' recognition of key cloud and AI platform providers' support for advancing Canada's national AI adoption agenda.

Q Among the following IT companies, which do you identify as being the leader in:

Actively supporting government initiatives and innovation programs for the development of AI in Canada?



Partnering with commercial, academic, and government organizations to support AI skills development initiatives in Canada?



Concluding Statements

Financial services is benefiting from AI right now.

AI implementation in Canadian financial services drives business value and ROI outcomes by enabling the re-imagining of existing financial services processes and workflows while supporting larger sector-wide transformational change toward modernized digital banking and insurance.

IDC believes the results of this study show that good financial services outcomes are being achieved with AI at the operational level. Specifically, AI use case solutions targeting operational processes and workflows are producing immediate and recognizable (in dollars) operational benefits for the organizations that implement them.





Message from the Sponsor

Turn Insights From This Study Into Action Today

“Our vision is to help every organization in every industry—no matter size or where they are in their AI journey—reimagine what’s possible through the power of AI.”

From capital markets, banking, insurance, pension funds & investments, every part of the Canadian financial services ecosystem is increasing adoption of AI and opening the way for new opportunities.



Skill Up.



Microsoft AI Business School

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