

The Six Influencers to Get Behind Your ML Project

If you have an artificial intelligence (AI) or machine learning (ML) project in mind but you're having trouble getting it off the ground, don't worry. You're not alone. According to a recent Gartner CIO survey, 86% of respondents have AI on their radar or projects in development but only 4% have actually deployed those projects.

Since ML is just beginning to gain adoption in credit underwriting, your colleagues are probably unfamiliar with it. At Zest we've helped financial services firms of every size and complexity switch to ML underwriting and know there are some common fears of the unknown in every organization. Some people worry ML will automate them out of a job, while others fret that their responsibilities will change radically. These fears tend to be greatly overblown, especially if your organization takes a smart approach. To do that, you'll need to get six key players on your side. Here's who they are and how to communicate the impact of ML to each of them:



The Business Executive

The business case for ML is your biggest asset — so there's plenty of common ground to go over when persuading your executives. Zest customers have seen approvals jump 15% or charge-offs drop by 30% by switching to ML underwriting. ML can grow your business' market share by reaching new borrowers. It can cut expenses by reducing your exposure to bad borrowers and by setting more accurate prices. Improve the bottom line while being seen as a forward-thinking? Every business executive wants that.



The Credit Risk Manager

The credit risk manager is usually the one responsible for the nitty-gritty of generating the profit and loss of the underwriting business. They're going to be nervous about the "black box" reputation that plagues some ML systems. Risk officers have to know the decisions are accurate, consistent with policy and non-discriminatory. They need transparent ML that comes with all the reports auditing every decision. Transparency can also assure the manager that the model will perform as planned once deployed.



The Credit Modeler

An ML project could be really appealing to this executive. But too many are gun shy, having spent countless hours working on proof-of-concept ML models that never came to fruition. Ensure the modeler that you'll be working with a reliable outside partner who will provide the structure to make the modelers' job as easy as possible. If your vendor offers [auto documentation](#) of the model, that's an added bonus that will save the modeler hours of boring documentation work.



The Model Validator

Right now, model validation isn't easy, exactly, but with an average of about 30 variables in a traditionally built model, it's doable. But hearing that an ML model could contain thousands of variables is enough to strike fear into any model validator's heart. A well-built ML system will have explainability tools that detail how the model makes its decisions. When the validator has that at hand, the process of validating an ML model will become straightforward, not too far removed from the governance models the team has spent years building.



The Regulatory Compliance Officer

Their worst nightmare is waking up, opening the morning paper and seeing headlines that your institution discriminated against people — a common fear when working with ML credit risk models. The compliance officer is worried about bias and upholding the bank's Fair Credit Reporting (FCRA) and Equal Credit Opportunity (ECOA) obligations. Tell them that the models' built-in explainability will show why decisions are being made in a straightforward manner, just like with the institution's current model, and ensure that your institution is not discriminating.



The Head of IT

Pity the IT chief, always being asked to do more with less. When you say "machine learning" it may sound like "really big implementation project." IT heads have limited resources to go around and are wary of committing to any project that will take months or years and require lots of staff. Explain that your ML developer has a track record of getting developments done in weeks (not months) and can supplement the company's staff during the process. An added sweetener, explain that the project will run on the tech platforms IT already supports.

With the right ML, business processes don't need to change much and people won't see their jobs automated into something they didn't sign up for. **Approaching colleagues with confidence and understanding will go a long way toward winning allies.** The challenge then is to make sure you choose the ML approach that will make your promises come true.

Interested in learning more? Visit WWW.ZESTFINANCE.COM or email PARTNER@ZESTFINANCE.COM