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Deloitte AI360 Podcast

Jim Rowan, Head of Applied AI
Snehal Waghulde, Investment Management and Real Estate AI Lead

Title: S2:E8 | AI in investment management: Overcoming legacy tech, regulation, and data

Description: "At the end of the day, [AI] is only as good as how people use it," says Snehal Waghulde, who discusses AI in investment management and real estate, including how AI is enhancing real-time portfolio and lease management and challenges along the way.

Duration: 07:13

Jim Rowan:
Snehal, thanks for joining us in the AI 360 podcast. Really excited to have you here. I want to dive in. I think we've got some really interesting topics today. Can you tell us a little bit about your role and what you're doing in the sector you play in?

Snehal Waghulde:
Yes. I'm so excited to be here. Thank you for having me. My name is Snehal Waghulde, and I'm a managing director within our AI and Engineering practice and I focus on investment management and real estate clients.

Jim Rowan:
Awesome. So Snehal, there's got to be some amazing AI use cases happening in this sector. Could you dive into a little bit like what you're seeing from a from a centered perspective around AI?

Snehal Waghulde:
Yes, absolutely. So look, this sector is under a lot of pressure currently, and especially in the current geopolitical landscape, there has been a lot of uncertainty. As a result, the clients are thinking about how do I maintain the cost pressure, how do I think about new products and asset classes to bring to clients and drawing deep flows, and third is how do I make robust sales in distribution channels to bring those products to clients? And when you really think about AI, it can enable all of them—from a cost pressure perspective, it can help from an efficiency lens, when you think about new products, it can help with research, conceptualization, and then last on sales and marketing. It can really help end to end, from modernizing the entire core to really finding ways in which you can merge your internal and external data and create intelligent clustering as well as custom content.

Jim Rowan:
Wow, that's awesome. So there's a ton of things you're using AI for with your clients, which I love, and you're hitting on some key things for us we typically see around cost efficiency or around driving growth through customer engagement. Maybe you could share a little bit more about some of the specific use cases you're seeing there. Are you guys using AI agents? That's the hot topic around right now. What are you seeing?

Snehal Waghulde:
Yes, AI agent is certainly the new kid on the block, and a lot of excitement around it. It's still early days, I'll be candid, but let me give you two examples: one from the investment management space we'll be talking about, and second around real estate. So first one within investment management, think about a portfolio rebalancing. Today's junior analysts or trade analysts will do this, but in the future, AI agents can come in and automatically monitor clients' portfolios as well as market conditions and then execute trades to make sure that you're constantly hitting your target allocation mix. And while doing that, they can keep things like your risk profile or your investment objectives, tax implications, transaction costs—all of these factors can be kept in mind when they're doing that. So, really powerful. When you think about real estate, lease management is a really big pain area for them. And again, in this case, AI agents can play a huge role. They can automatically monitor all the leases; they can monitor key dates such as renewals, different clauses; and then

proactively reach out to tenants as well as property managers to get ahead of this. They can also flag certain compliance issues. So, really transformative from both lenses and a lot of chatter about that in the industry.

Jim Rowan:
Wow, those are great examples. I do hear you; we're very much on these early days of AI agents and being deployed with our clients. As you think about your conversations—and we've seen in our data, too, that organizations are really struggling with growing from POC to production. We're seeing that the pace of technology change is kind of outpacing the organization's adoption for change. What are some of the challenges that you're digging into with your clients that they're facing as they try to adopt AI at the enterprise level?

Snehal Waghulde:
Yeah, that's a great question, Jim, and AI is a novel technology in some cases, especially on Generative AI. So it does come with certain risks, and a few things to keep in mind, number one is around data. So a lot of my clients have disparate data sources, therefore disjointed data, and therefore that impacts their model accuracy in some ways. And then you layer in certain regulations, like GDPR, which have consideration around using your client and transaction data, and that makes it even more complex. Then the other angle is technology. A lot of clients are still on old-school legacy technology and infrastructure, and unfortunately those cannot run your AI workloads. The third one I would highlight is talent. It's really difficult to find the right mix of tech, data, deep functional experts—and what I call "AI enthusiasts" can really push change specifically in this sector. And then the last one I'll hit upon is around security. This is new, and it's going to introduce certain vulnerabilities, and it's important for clients to keep that in mind as well.

Jim Rowan:
Those are, yeah, I mean, it does seem a little bit like, oh my gosh, what are we going to do with all these challenges sort of facing us? There's got to be some things that organizations are doing to help navigate them. Talent's one that comes up a lot in my conversations, whether it's education, executive understanding of what's going on in the market. What are some advice or things you're giving folks around that challenge or more broadly about how to tackle this space?

Snehal Waghulde:
Absolutely. So let's start with the talent one, Jim. I think Generative AI is an enabler; it's a technology. But at the end of the day, it's only as good as how people use it, right? And what's unique about this is it's really difficult to change the way you do things every day. You really need to make a conscious effort to do that, and you have to train your brain to think differently to be able to do different things. So a lot of conversations around how do we increase the fluency, how do we incentivize people who are pioneers in this space, and really drive excitement and not fear. And then the other two pieces of advice I'll give you, slightly tangential to that, is that I talk to my clients about really focus on building a future-ready data foundation because, look, data is a really important asset, and nobody wants to own it and it's really difficult to get it clean and in a timely fashion. So really important to start now so that you can be ready for the future. And then the last one I'll go back to is around proactively prioritizing responsible AI. It's a complex topic and a lot of teams are involved, and therefore it shouldn't be an afterthought. It should be something to think of it from the onset.

Jim Rowan:
Those are great. And then I think really important advice for folks. I love the push to kind of start using the technology. I feel like if executives are out there and not using the technology today in their personal life, in the enterprise, really missing sort of the connectivity they can have around how to use it, where it can be applied the most. And I also really love your point around the trust and secure AI aspects of this too. You're clearly in a highly regulated industry, but this applies across all industries and sectors. And I think the need to stay both agile with this regulatory environment and how to adapt to it, but also really having a North Star as an organization—what are your guardrails, and how do you want to drive that—is really, really important too. So, I really appreciate all your time and thoughts and energy around this topic. I'm sure we'll be seeing you on plenty of calls in the future talking about this with your clients. So thanks again for joining our podcast.

Snehal Waghulde:
Thank you so much for having me.

Jim Rowan:
Awesome. Take care. Have a good day.

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