

AI Adoption at Professional Services Firms: Balancing Trust and Tech

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Businesses that sell confidential advice can still harness AI to provide the innovative services that clients expect without compromising their personal information.

Artificial intelligence (AI) dominates many conversations. For some people, AI is a catalyst for innovation. For others, it is a threat cloaked in code.

At the recent Attorneys for Family-Held Enterprises (AFHE) Spring Conference, I asked advisors to rate their own AI usage and fears on a scale from 1 to 10. The responses painted a familiar picture of curiosity mixed with concern. One advisor quipped, “I’ve used ChatGPT to write emails, but I still don’t trust it with anything sensitive.” I shared how to create a customized GPT that protects sensitive client information and does not share data with large language models (LLMs). Another enthusiastic advisor described AI adoption as “table stakes” for maintaining relationships with Next-Gen clients, who expect personalized planning, 24/7 access, and digital transparency. He is worried about retaining Assets Under Management (AUM) from younger owners.

That tension—between confidentiality and innovation—describes the risks, challenges and need for change. Here are some practical applications based on my AI consulting solutions. It can be especially useful for entrepreneurs whose companies sell professional services where client confidentiality is critical.

Six Risks for Leaders of Professional Services Firms

Data Privacy & Security: All leaders must access and protect sensitive financial and family data. Data breaches are not only costly—they’re also

unacceptable. Every trusted advisor in every business sector knows that our fiduciary demands require closed access, digital firewalls, and the most robust multi-factor authentication security protocols. I have heard stories of repeated multimillion-dollar attacks. Countless business leaders are targets for cybercriminals because they have access to wealth. We also know that inconsistent human behavior is a poor substitute for those AI-driven criminals.

Over-Reliance: Replacing human emotional intelligence with algorithms may feel good because of the dopamine surge, but it erodes relational trust. I’ve heard clients say, “I interact more with my ChatGPT than with people!” Psychologists and clinicians have studied the impact of digital addiction for decades now. We know that over-reliance on digital resources is a factor in anxiety, depression, sleep problems, obesity, neck and eye strain and memory loss. In short, AI is not a substitute for positive human interactions.

Ethical Predictive Use: Tools like Lex Machina and Bloomberg Law can forecast divorce or succession risk. But should they? AI-driven actuaries and healthcare data sets can now predict lifespan and health risks. But should they? There is no universal acceptance of the ethical boundaries that can be recommended to protect individual rights. There is no acceptance that any government, tech company, or international community has defined ethical uses of AI. The implications for insurance companies, health care providers, philanthropy, and estate planning are rarely discussed. We need to develop ethical boundaries for AI use.

Regulatory Uncertainty: As AI applications accelerate, the tools always get faster, cheaper and more accurate. Some regulatory agencies, including the SEC and FINRA, have developed guidelines. But the bottom line is that AI applications are designed to learn from themselves, to improve efficiency in



microseconds. By their design, “black-box AI tools” are secret. They lack transparency and defy regulatory compliance. We need to develop regulatory AI guidelines that resist bias and protect individual confidentiality.

Resistance to Change: In response to countless threats, humans have always adapted to evolve slowly. We always protect our assets. Some are inclined to say, “Yes, of course I embrace change. You go first.” Many solo advisors admit lacking the bandwidth to vet new AI tools or automate workflows. One of my clients said, “I know I need AI scanning tools like Optical Character Recognition (OCR) someday- but certainly not during tax season!” Thankfully, anyone can now use AI to design business templates for any possible change.

Talent Gaps: We all make mistakes when we “don’t know what we don’t know.” Did you know that there are some key competencies that are uniquely human and will never be replaced by AI? Those competencies include resilience, humility, empathy, curiosity and learning agility. When we identify how to assess and develop those competencies, then we redefine career and talent gaps. Without a doubt, AI is here to stay.

Using AI to Re-Design Professional Services

How we use AI will redesign all kinds of consulting, with implications for professional services firms that depend on client confidentiality: law firms, therapists, architects, financial advisors, and more. Consider the following potential uses for it.

Adopt AI tools that scaffold learning, like micro-coaching sessions or simulations

One example is my AI-assisted communication coaching platform that provides confidential analysis and feedback using customized role plays. Imagine selecting a role play like “conflict management” or “dealing with difficult clients.” Then select an avatar based on the interactions you anticipate or skills you need to develop (e.g., blunt, skeptical, friendly, etc). Then record your interactive learning. Study the confidential analysis, feedback, and transcript. Practice again and again.

These individual, recorded sessions are GDPR and SOC2 compliant, and have been embraced by Korn

Ferry, Spencer Stuart, and Google. Any presentation, interview, or recorded content can be uploaded for analysis and feedback. Imagine improving your communication skills with immediate feedback before meeting with a demanding sales manager. One tech company found a 24% increase in sales when they used this platform. Another large company trained 15,000 people in weeks, with a 97% training completion rate and high engagement scores. See [www.JITCoach.com](http://www.jitcoach.com/) (<http://www.jitcoach.com/>) or ask for a demo.

Use AI to record meeting summaries, and to create action plans and task lists

With permission from all participants, many host platforms (e.g., Zoom and Microsoft Teams) can provide summaries for any number of participants. I have hosted webinars where the readers of the AI summaries (e.g., Otter and Fireflies) outnumber the human participants. The value for busy professionals is access to the webinar content when they may be double- or triple-booked. The value to me as the webinar host is high quality, consistent distribution of my key points within minutes to those who want that summary.

Use AI summaries as a personal development tool

Self-coaching with “mirror, mirror on the wall” is not useful. However, recording a private session on your Zoom screen is an opportunity for assessment and development. That recording can be stored on a password-protected thumb drive for security. If uploaded into a private YouTube link, you can then click a button and see your transcript. Any GPT can then edit your text and suggest changes. If you want to be more assertive, the AI will provide a revised text. If you want to be more emotionally vulnerable, AI will provide another revised text. We have more access to behavioral feedback than ever before in human history.

Create customized AI systems

This is one of the most powerful AI applications that I’ve seen. I’ve built what some call a “closed chat GPT”—an AI trained on my books, dissertation, research papers, blog posts, and website content. I call it “Gray Matters” and share it with my clients. When asked, “How would Doug respond to this situation?,” it provides evidence-based answers drawn from that data set. Crucially, you can configure these closed systems to maintain confidentiality, which prevents your data from being shared with large language models.

Small business leaders can leverage this same technology. If you need to maintain client confidentiality for legal reasons but want to provide unique value to those clients, a closed AI system offers a perfect solution. This fact explains why there are so many chatbots on company websites—they're cost-efficient and can provide consistent service 24/7. Do you need to invest in Schwab or Fidelity or Vanguard? Then you need to interact with bots before humans.

Use multiple AI tools to develop expertise

If I ask ChatGPT a question, it will provide pages of information. If I'm confused, I can always ask "Tell me more..." and it will do so. But the quality of my prompt determines the quality of the response. So, if I copy that first response and paste it into Grok I can then ask, "Analyze this document and suggest improvements." Then I can take the second response and paste it into Gemini to ask, "What am I missing?" and now I have responses from three data sources. Like asking three colleagues or three interns for their perspectives, the value of that final result is three times better. Consultants have always sought opinions from multiple sources. When you add AI to your research the quality may be surprisingly good.

How to Get Started

1. **Start small:** Try AI-generated summaries (e.g., from Zoom or Microsoft Teams, with client permission). Edit them and share discreetly. Select an AI tool (e.g., Chat GPT, Claude, Gemini, Grok) for searches. Save it in your task bar so that you use it frequently. Edit results from one AI tool to another, then select the tool that best serves your needs.
2. **Engage your team:** Create internal cross-functional task forces with IT, compliance, and client experience leaders. Focus on solving client problems, rather than cool new solutions.
3. **Educate clients:** Share how AI supports (not replaces) your professional counsel. Solicit feedback on topics or services required by your clients. Automate those services and continue soliciting market feedback.
4. **Ask the trust question:** "How does this AI tool deepen our trusting relationship?" Clients stop engaging advisors when they perceive limited value. AI tools can add significant value when used with care.

Final Word: Innovation is Now an Expectation

As fiduciaries, educators, and ethical leaders, professional services firms must balance technical advancement with emotional insight. Clients trust advisors who care—more than those who depend on AI.