

ThinkTwenty20's "Twenty Rules for AI for Financial Professionals": Alpha Version

– Part 4

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This column continues an ongoing series of postings to develop helpful guidance for financial professionals related to artificial intelligence. It is developing a list of guidelines and advice, with the hopes we can collaboratively make some of them more organized and permanent.

If you missed the first three parts of the series, you may wish to read those posts, which have our first seven areas:

- Confidentiality: Don't type anything into an AI that you would not want made public.
- Skepticism: Don't automatically trust anything coming from an AI without review.
- Diversification: Don't put all your eggs (Alggs?) in one basket.
- Compliance: Consider how any output might comply with industry and ethical regulations and standards.
- Transparency: Be careful to consider when you need to disclose your use of these tools.
- Tool selection: Generative AI may not be the right AI for the job; your chosen GenAI may not even be the best GenAI for the job.
- Mixed Vision: never assume that what you and your AI see is what you get (WYSAYIIWYG).

The release of an update to Claude, known as Claude 3.5 Sonnet, is an opportunity to test the guidelines and advice and see if some more can come out of it.

The name Claude, from Anthropic, may be less familiar than OpenAI's ChatGPT, Microsoft Copilot, Google Gemini, or Meta (Facebook) Meta. Claude has, however, been distinguishing itself in different ways.

First, Claude made a name for itself by supporting larger context windows, which is GenAI speak for permitting more human input and keeping more context in memory. Back in July 2013, for example, ChatGPT with GPT4 might limit users to 8,192 tokens of input, while Claude 2 had a 100k token content window. For working with documents – such as the articles that make up an issue of *ThinkTwenty20* – Claude could work with more text at the same time, where GPT4 would require the input to be broken up.

However, Claude did not – and still does not - do some things the big boys did and do: in particular, it does not have access to Internet content on demand, so looking to it for knowledge will depend on its information cutoff. The "images" it creates are not like those DALL-E-3 or Gemini can create, but rough illustrations created by programming code. Claude's own voice interface is non-existent. With Gemini now supporting a 2M token context window, Claude had a hard road ahead to stay competitive.

Along came Claude 3.5 Sonnet. They did not add Internet access. It doesn't create photorealistic images. It does have a new metaphor which they call "Artifacts." Artifacts supplements the traditional threaded "type and response" interface with a half screen working response area. Like a virtual desktop, you can see multiple working documents (one at a time or a summary view of all of the documents), and each working document has version tracking and the ability to easily navigate between versions. You can manage a narrative document, a series of graphs, a computer program, and move between them to

review or update them. It does amazing things collaborating with Claude by pasting in some data, and having Claude create documents, graphs and other useful analytical tools.

How might we apply our guidance so far?

- Confidentiality: Don't type anything into an AI that you would not want made public.

I find Artifacts to be a powerful new tool. As such, I might want to put confidential information in for analytical purposes. I would look forward to an open-source version where I could do this on the protected environment of my own computer.

- Skepticism: Don't automatically trust anything coming from an AI without review.

The Artifacts approach may in the future hyperlink content between the documents, which would help with trust. But the cleverest interface will only hide issues of data quality and probabilistic responses.

- Diversification: Don't put all your eggs (Algs?) in one basket.

The more sophisticated Artifacts environment ties me more to Claude, compared to single document output, more easily shared between AI.

- Compliance: Consider how any output might comply with industry and ethical regulations and standards.

Claude's limited multi-modality means – for now – that copyright infringement is less of an issue than the image generation of most of the other players.

- Transparency: Be careful to consider when you need to disclose your use of these tools.

More workflow functionality means I am more likely to use the tool.

- Tool selection: Generative AI may not be the right AI for the job; your chosen GenAI may not even be the best GenAI for the job.

Working on a document, I wanted to add an image. I asked Claude to create an image, and – while what it created was very creative – it used scalar vector graphics (SVG) to approximate the scene I offered as opposed to anything that resembled artwork or photography.

- Mixed Vision: Never assume that what you and your AI see is what you get (WYSAYIIWYG).

Claude supports most of its graphs and image with code, so checking on what you see and what the computer sees is facilitated.

Now – can we take some new lessons from this? Stay tuned to the next blog entry.