



Case Study



## **What matters to Colonial First State is transforming customer and employee experiences with generative AI**

When you want to bring positive change to your industry, learning how AI can make a genuine human impact matters.

**Do what matters**

## Inspiring change: Innovation to accelerate transformation

For more than 30 years, the team at Colonial First State (CFS) – a wealth management group providing investment, superannuation and retirement products – has been helping Australians achieve financial freedom. To date, they've helped more than three million customers, with a passionate focus on delivering strong investment outcomes performance backed by excellence in customer service.

The superannuation and investment industry is highly complex and competitive. Embracing innovation offers an opportunity to transform the landscape and enhance both customer and employee interactions and experiences. Creating new ways of working is baked into the CFS culture, and the group has built a trusted partnership with Avanade over the years to evolve the way it does business. The natural next step? Exploring the vast potential of [generative AI](#).

**"Our exploration of generative AI was really driven by an unprecedented surge of enthusiasm from our employees."**

**Daniel Arico**  
**Generative AI Product Owner, CFS**

"We've witnessed several technological revolutions before, like the advent of the cloud and blockchain, but none have matched the electrifying energy surrounding the release of ChatGPT and similar Large Language Models (LLMs)," says Daniel Arico, generative AI product owner at CFS. "Employees across all departments of our business were enthusiastic about the transformative potential of this technology, emphasizing its impact on both their personal and professional lives."

CFS's leadership was equally inspired by these possibilities and understood that if their people felt strongly about it, their customers likely would too. They wanted to understand the power of generative AI to deliver real value and tangible benefits in its current form, and to anticipate where it might go next. "Our primary goal was to learn, learn, learn," explains Arico.

They partnered with Avanade and Microsoft to get started.

**Company Name:** Colonial First State  
**Country:** Australia  
**Company Size:** ~1,500 employees  
**Industry:** Banking, Capital Markets  
**Solution:** Generative AI

## Driving innovation: Use cases take shape

After conducting brainstorming sessions to identify and prioritize possible use cases that would maximize both learnings and value, the joint team developed three custom proofs-of-concept (POC):

### Feedback Analysis

CFS's complaints and resolution team is responsible for managing customer feedback and reporting key insights. To enhance their products based on this feedback, this POC uses Azure OpenAI and traditional machine learning to enable those insights, identify trends and common issues, categorize responses and share visualized reports across the organization using [Microsoft Power BI](#).

### Advisor Support

CFS's technical services team helps financial advisors navigate complex superannuation legislation. However, searching through hundreds of pages of materials to provide the right information at the right time can be challenging and time-consuming. Using Azure OpenAI services and GPT4 with Vision and GPT4-Turbo, we developed a Retrieval-Augmented Generation (RAG) chatbot – called FirstTech – that allows users to quickly search and summarize the technical services guides and selected webpages, reducing the time it takes to respond to advisor queries

**"FirstTech was the most complex model we could envision, with the potential to make a substantial impact on our industry."**

**Daniel Arico**  
**Generative AI Product Owner, CFS**

"It represented a significant challenge, but also a chance to drive meaningful change," says Arico.

### Agent Assist

CFS's customer guidance team responds to customer enquiries about their superannuation and investments. The team can refer to guidelines – which are stored in their knowledge base system Microsoft – regarding a wide range of subjects. It can be difficult to quickly find this information during calls, and agents often need to refer questions that can't be easily answered to the technical support team, leading to longer average call handling times (AHT). The custom agent assist chatbot POC – also developed using Azure OpenAI services and GPT4 with Vision and GPT-4O – searches these databases to deliver the right answers faster.

Once in full production, the tool has the potential to improve productivity, enhance training for new agents, lower AHT and reduce calls to the technical support team by 40%.

**"Agent Assist was a test of how quickly we could implement this type of tool into our business. It allowed us to leverage our learnings from FirstTech and apply them at speed, demonstrating our ability to adapt and innovate."**

**Daniel Arico**  
**Generative AI Product Owner, CFS**

### Achieving what matters:

### Embracing the future to help Australians achieve financial freedom

With their learnings from these POCs, the CFS team is ready to take on the AI-enabled future to benefit staff and customers. In fact, they've already implemented several simple user cases. Currently, 100% of CFS employees have access to generative AI in some form, including 75% of its permanent staff using Microsoft Copilot for Microsoft 365 to enhance their daily work.

Looking ahead, CFS is focused on growing and further developing its AI Center of Excellence to bring more complex generative AI use cases into production.

## About Colonial First State

Colonial First State is a diverse superannuation, retirement and investment business that manages and administers over \$160 billion on behalf of almost one million Australians. We're passionate about seeing Australians achieve financial freedom and have helped over three million Australians with their investment, superannuation and retirement needs since 1988.

As one of Australia's leading superannuation providers, CFS is committed to delivering strong, long-term performance, low fees and easy access to a wide variety of investment options from the world's leading investment managers.

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**About Avanade**

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 60,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers. Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com)

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