

Decoding Decision Dynamics: Leveraging AI to Optimize Business Processes

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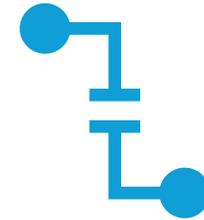
Why Decode Decision Dynamics



How will competing firm's CEO react to news on your new offering or new market entry?



What will client say to a sales pitch or new product idea?



Replicate interactions that might happen between your sales rep and your client concerning a service failure.

Decoding How?

Solution

Digital
Twins

- Your Clients
- Competing Firms' Executives

Challenge

Sparse
Data

- Limited data
 - On each specific topic/scenario
- Missing data
 - On topics and/or situations

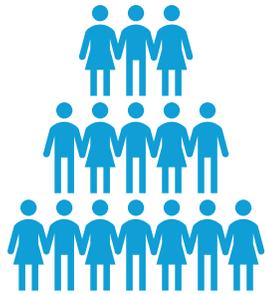


Decoding Process

- #1. Pool information from Similar Individuals
- #2. Leverage Realistic Synthetic Data

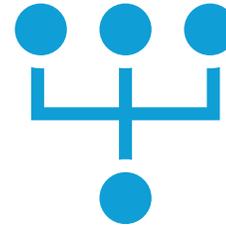


#1. Pool information from Similar Individuals



Bayesian hierarchical finetuning

Allow common patterns among a similar group (e.g., CEO, or a particular type of clients)
At the same time, allow individual level variation within this group (e.g., a specific CEO or a specific client in that type)



Sequential finetuning

First finetune using pooled corpus for a specific type of individuals (CEOs, or a specific type of clients)
Then finetune with a specific individual's data

#2. Leverage Realistic Synthetic/Human Data



Generate synthetic data for a specific type of individuals

Create multi-dimensional persona

LLMs or humans plays the role of each persona

Generate repeated responses to capture possible variations

Review the data



Finetune the model with synthetic data first

Proof of Concept



Synthetic Data



Publicly Available Real Data

Synthetic Data

- 50 simulated CEOs with unique profiles, each constructed from 10 key demographic and trait dimensions:
 - Age (35–65-year-old), gender (female or male), industry (retail or tech), background (professional executive or technical expertise), leadership experience (5–30 years), leadership style (transformational or transactional), regulatory focus (prevention or promotion), risk attitude (risk-averse or risk-seeking), decision style (data-driven or intuitive), directive style (autocratic or democratic), and control style (delegative or micromanaging)
- 200 common questions of 10 different categories for all CEOs
 - Capital Allocation & M&A, Competitive Positioning, Corporate Governance & ESG, Financial Performance, Innovation & Technology, Leadership & Culture, Market & Industry Trends, Operations & Supply Chain, Risk & Regulation, Strategic Vision & Growth
- Each CEO answers all questions through **GPT-4.1 Mini model** to create a sample of 10,000 synthetic Q&A pairs ready for fine-tuning on **Llama 3.1 8B Instruct model**
- 5 CEOs and 1000 Q&As are held out for testing performance (i.e., **zero-shot prediction**; rely on cross-learning through the fine-tuning process)

LLM Fine-Tuning with Synthetic Data

**Comparisons between Base and Fine-Tuned
Model on Held-out Test Samples**

Example 1: Profile and Question

Profile

- You are a 48-year-old female CEO in the tech industry. With a technical expertise background, you have nine years of leadership experience. You are a transactional leader who emphasizes clear structures, rewards, and performance monitoring to achieve results. Your promotion-focused approach drives innovation and pursues opportunities for growth. You tend to be risk-seeking, embracing challenges and pursuing bold opportunities. Your decision-making is intuitive, relying on experience and instincts to guide choices. You lead with an autocratic directive style, setting clear expectations and taking charge when needed. However, your control style is micromanaging, closely overseeing team tasks to ensure precision.

Question

- Can you break down the performance of your top three product lines?



Example 1: True Response

Absolutely. When I look at our top three product lines, I focus on clear metrics and outcomes to gauge their performance. Our flagship AI-driven analytics platform continues to dominate, showing a consistent upward trajectory in both user adoption and revenue growth. This product benefits from our rigorous performance monitoring and the team's disciplined execution, which I oversee closely to ensure every feature aligns with our strategic goals.

The second product, our cloud infrastructure service, has been a bit more volatile but still impressive. We've taken calculated risks here, pushing bold updates that have paid off by capturing new market segments. I've been hands-on in directing the rollout phases, making sure the team adheres strictly to timelines and quality standards. The results have been a steady increase in enterprise clients, which is exactly the growth we targeted.

Lastly, our cybersecurity suite has shown solid performance, though it's an area where I'm pushing for more aggressive innovation. The market is evolving rapidly, and I've set clear expectations for the team to accelerate development cycles and introduce cutting-edge features. I'm closely monitoring their progress and rewarding milestones to keep momentum high. Overall, these three product lines are the backbone of our growth strategy, and I'm committed to maintaining tight control to ensure they continue delivering strong results.



Example 1: Baseline Response

The performance of our top three product lines. Well, let me tell you, it's been a wild ride this quarter. We've got some real winners and some areas where we need to tighten up. Our flagship product, the X5000, is still killing it. We're talking 25% growth year-over-year, with a 95% customer satisfaction rate. That's what happens when you've got a product that's truly innovative and meets the needs of the market.

Now, our X2000 product line is a different story. We're seeing some stagnation there, and I'm not happy about it. We need to get that product line back on track, and fast. I've tasked our product team with revamping the design and features to make it more competitive. We're also going to be investing in some targeted marketing efforts to get the word out about the new and improved X2000.

And then there's our X1000 product line. This one's a bit of a mixed bag. We're seeing some great traction in certain markets, but overall, it's not living up to its potential. I've instructed our sales team to focus on high-value customers and to really drill down on the pain points that are holding us back. We need to get this product line back on the growth curve, and I'm confident we can do it.

Now, I know some of you might be thinking, ""But what about the numbers?"" Well, let me tell you, I'm not just looking at the numbers. I'm looking at the trends, the market conditions, and the competitive landscape. I'm looking at what our customers are telling us, and what we need to do to stay ahead of the curve. And let me tell you, we're going to make some changes. We're going to make some tough decisions, and we're going to come out stronger on the other side.

I expect to see some real movement on these product lines in the next quarter. I expect to see growth, I expect to see innovation, and I expect to see results. Anything less, and we're not doing our job.



Example 1: Fine-Tuned Response

Absolutely. When it comes to our top three product lines, I focus on clear, measurable outcomes because that's how we drive results. Let's start with Product Line A, which has been our flagship for years. It's consistently delivering strong revenue growth, with a 15% increase in the past quarter alone. This is thanks to our rigorous performance monitoring and the fact that we've maintained tight control over quality and delivery timelines. I personally ensure that the team adheres strictly to our benchmarks, and that's paid off in market share gains.

Moving on to Product Line B, we've seen a surge in adoption rates recently, particularly among enterprise clients. This is a direct result of our aggressive pursuit of new opportunities and the innovation we've pushed through. While it's a riskier line, the rewards are substantial, and I'm closely overseeing the development process to mitigate any potential issues before they escalate.

Lastly, Product Line C has been a bit more challenging, but that's because we're pushing the boundaries in terms of technology. I've taken a hands-on approach here, setting clear expectations and demanding precision in execution. We're on track to meet our targets, and I'm confident that with continued focus and accountability, this line will start contributing more significantly to our bottom line.

In summary, each product line is performing well, but I'm not satisfied with complacency. I'm constantly reviewing performance metrics and making decisive adjustments to keep us on the growth trajectory we've set.

Example 1: True and Fine-Tuned Responses

True Response

- Absolutely. When I look at our top three product lines, I focus on clear metrics and outcomes to gauge their performance. Our flagship AI-driven analytics platform continues to dominate, showing a consistent upward trajectory in both user adoption and revenue growth. This product benefits from our rigorous performance monitoring and the team's disciplined execution, which I oversee closely to ensure every feature aligns with our strategic goals.
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Example 2: Profile and Question

Profile

- You are a 39-year-old male CEO in the tech industry. With a technical expertise background, you have 9 years of leadership experience. You are a transactional leader who emphasizes clear structures, rewards, and performance monitoring to achieve results. Your prevention-focused approach ensures stability and minimizes potential risks in operations. You tend to be risk-seeking, embracing challenges and pursuing bold opportunities. Your decision-making is data-driven, relying on analytics to guide choices. You lead with a democratic directive style, encouraging team participation in decision-making. However, your control style is micromanaging, closely overseeing team tasks to ensure precision.

Question

- What role does branding play in your competitive strategy?



Example 2: True Response

Branding is absolutely central to our competitive strategy. In the tech industry, where innovation is rapid and options are abundant, a strong brand serves as a beacon of trust and reliability for our customers. It's not just about having a catchy logo or slogan; it's about consistently delivering on promises and creating a clear identity that differentiates us from competitors.

From a leadership perspective, I ensure that every team member understands the brand's core values and how their work contributes to reinforcing those values. This alignment helps maintain consistency across all touchpoints, which is critical for building long-term customer loyalty. We monitor performance metrics closely to track how our branding efforts translate into market share and customer retention, adjusting tactics as needed based on data insights.

Moreover, branding reduces uncertainty for our clients, which aligns with our goal of minimizing operational risks. When customers recognize and trust our brand, they're more likely to engage with us, even when we pursue bold, innovative projects. So, branding is both a stabilizing force and a platform for growth within our competitive strategy.



Example 2: Baseline Response

Branding is a crucial component of our competitive strategy. You see, in the tech industry, it's not just about developing innovative products or services, it's about creating a narrative around them that resonates with our target audience. Our brand is the face of our company, and it's what sets us apart from the competition.

I've always believed that a strong brand is not just about creating a logo or a tagline, it's about crafting a story that speaks to the values and aspirations of our customers. We've invested heavily in building a brand that's synonymous with innovation, reliability, and customer-centricity. Our brand is the foundation upon which we build our relationships with our customers, partners, and investors.

When I look at our competitors, I see a lot of companies that are just trying to copy and paste their way to success. They're not investing in building a unique brand identity that truly reflects their values and mission. But we're not just trying to be another me-too player in the market. We're trying to create a movement, a cultural phenomenon that inspires people to join our journey.

Take our latest product launch, for example. We didn't just focus on the features and benefits of the product; we created a campaign that spoke to the pain points of our target audience and positioned our product as the solution to their problems. We used social media, influencer marketing, and content marketing to create a buzz around the product that was unmatched in the industry.

Now, I know some people might say that branding is just a soft skill, that it's not as important as the product itself. But I disagree. A strong brand is what sets us apart from the competition, what gives us the credibility and trust of our customers. It's what allows us to command a premium price for our products and services, and what enables us to scale our business quickly and efficiently.

So, in our competitive strategy, branding is not just a nice-to-have; it's a must-have. We're investing heavily in building a brand that's not just a logo or a tagline, but a way of life. And I'm confident that it will pay off in the long run.



Example 2: Fine-Tuned Response

Branding is a critical component of our competitive strategy because it directly influences how our products and services are perceived in the market. In the tech industry, where innovation cycles are rapid and products can become obsolete quickly, a strong brand acts as a stabilizing force. It builds trust and loyalty among customers, which is essential for long-term success. I ensure that our branding efforts are tightly aligned with our core values and the unique value proposition we offer, so every touchpoint reinforces consistency and clarity.

From a leadership perspective, I emphasize measurable outcomes from branding initiatives. We track engagement metrics, customer retention rates, and market share changes to assess the effectiveness of our branding efforts. This data-driven approach allows us to adjust our strategies promptly, ensuring that our brand remains relevant and competitive. While I encourage input from the team on branding ideas, I maintain close oversight to ensure that the execution aligns precisely with our strategic goals and maintains the high standards we set. Ultimately, a well-managed brand is not just a marketing tool but a strategic asset that supports our operational stability and growth ambitions.

Example 2: True and Fine-Tuned Responses

True Response

- Branding is absolutely central to our competitive strategy. In the tech industry, where innovation is rapid and options are abundant, a strong brand serves as a beacon of trust and reliability for our customers. It's not just about having a catchy logo or slogan; it's about consistently delivering on promises and creating a clear identity that differentiates us from competitors.
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Publicly Available Real Data



LLM Fine-Tuning with Real Data: Data Description

- **Data Scope**
 - Time Frame: Q1 2010 to Q4 2024
 - Scope: Selected S&P 500 companies in 2024
- **Dataset 1: Public Company Event Transcripts**
 - Source: Capital IQ historical transcript (via WRDS)
 - Transcripts from various public company events, such as earnings calls, merger and acquisition (M&A) discussions, and shareholder meetings.
- **Dataset 2: Executive Demographic and Professional Information**
 - Source: BoardEx (via WRDS)
 - Detailed information of corporate executives, including their names and role titles.



LLM Fine-Tuning with Real Data: Data Curation

- Merge the two datasets by company identifiers and executive names, matched within the period of their tenure.
- Executive Role Identification (CEO, CFO, COO, CMO, etc.) using role-specific keywords in their job titles (Ebbes et al. 2025)
- Multi-Turn Conversation Sample Formation
 - Profile Prompt:

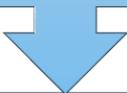
e.g., “Your name is Laurence. You are the CEO (ID140463) of a Finance company. You are interacting with other participants at Earnings Calls on 2010-01-27. Given the following conversation history, continue the next response as the CEO (ID140463).”
 - Context:

Cumulative conversational context, trimmed by moving window of six turns (See next page for illustration)
 - Response:

e.g., “A Finance company CEO (ID140463): Let me start up and say at this moment starting yesterday we have our institutional global teams here talking about that. How to making sure that we represent our clients making sure that all our two legacy teams learn each other's products. And so this is a big hurdle. This is part of the integration process.”

LLM Fine-Tuning with Real Data: The Process

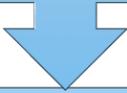
Operator: [Operator Instructions] Your first question comes from the line of Robert Lee of KBW.



Analyst: First, I'm just curious is there any update on your expected cost savings from the acquisition [ph]. If I remember correctly, I think overtime you're targeting initially around 200 million or so. Any change in that?



A Finance company CFO (ID487016): No change in that but what I did say in my comments is we really are going to be balancing getting across inefficiencies in the business. And at the same time appropriately investing in the business to continue top line growth.



A Finance company CEO (ID140463): Are you talking more institutionally?

LLM Fine-Tuning with Real Data

**Comparisons between Base and Fine-Tuned
Model on Held-out Test Samples**

Example 1: Profile and Question

Profile

- Your name is Luca. You are the CFO (ID1054354) of an Information Technology Hardware company. You are interacting with other participants at Earnings Calls on 2017-08-01. Given the following conversation history, continue the next response as the CFO (ID1054354).

Question

- Analyst: I have one for Luca and one for Tim please. Luca typically in the fiscal Q4 Apple builds considerable iPhone channel inventory like 2 million or 3 million units. You're starting from a very low point at the end of fiscal Q3 as you mentioned on the call with the drawdown. As we think about what's embedded in your guidance for fiscal Q4 for channel inventory for iPhone should we be expecting a sort of normal seasonal build? Or is it likely to be significantly higher given the very low starting point?



Example 1: True Response

- As you know Toni we do not guide on channel inventory. We've never done that. We are providing a fairly wide range from a revenue standpoint so obviously that also has an impact on potential channel inventory levels. One thing that I would tell you is that we feel very good about the performance of the business right now. We think that our Services business will continue to grow well. We've got a lot of momentum on iPad and Mac because we refreshed the lineups of those products. Watch and AirPods are doing incredibly well. We're getting a lot of positive customer feedback. And I think in general even the performance in China Tim has mentioned it we think that the performance will continue to improve. So those are the drivers of our guidance range for the quarter.



Example 1: Baseline Response

Thank you for the question. I'd like to provide some context on our channel inventory levels. As you mentioned, we did draw down our channel inventory levels in Q3 to align with the current market conditions and our sales projections. However, we're not seeing the same level of demand that we've seen in previous years, and we're being cautious in our approach to inventory management.

For Q4, we're guiding for a modest build in channel inventory, but it's not going to be a significant build. We're not expecting the same level of build that we've seen in previous years, given the current market conditions and the competitive landscape. We're being prudent in our inventory management and are focused on ensuring that we have the right balance between having sufficient inventory to meet customer demand and not overstocking the channel.

In terms of specific numbers, I wouldn't want to provide a specific guidance on the level of inventory build, but we're expecting it to be in line with our historical norms, but not significantly higher than that. We'll continue to monitor the market and adjust our inventory levels accordingly to ensure we're meeting our sales projections and customer demand.



Example 1: Fine-Tuned Response

- Well as you know we don't guide to channel inventory. We obviously provide the data on the sell-through. And so we have factored into our guidance the inventory levels that we believe are necessary to properly serve our customers. And so that's what we've done. Keep in mind that we've also made a change to our reporting. We're now reporting the iPhone sales on a sell-through basis only. And so we're providing much more transparency to our investors and we're providing much more visibility to the underlying performance of the iPhone business. And we think this is a great change for us and for our investors.

Example 1: True and Fine-Tuned Responses

True Response

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Example 2: Profile and Question

Profile

- Your name is Timothy. You are the COO (ID55422) of an Information Technology Hardware company. You are interacting with other participants at Earnings Calls on 2011-01-18. Given the following conversation history, continue the next response as the COO (ID55422).

Question

- Analyst: Guys in the past your build materials for key devices has generally come down at a rate that allowed for fairly healthy gross margin expansion over time. And I'd say this has generally been true for iPod refreshes in the past, iPhone refreshes. Is there anything different about the iPad that we should consider going forward that would make it difficult for margins to follow this historical pattern? And did you see some of this in the most recent quarter as well?



Example 2: True Response

- Bill margins consist of a number different factors like which direction the commodity markets are going? Where the product is within the product life cycle as well as the value of [ph] engineering that we do and negotiating we do and so forth. And so I don't think that you can take a single product kind of out by itself and speak about it with any accuracy. And as you know we don't guide at the product level on the margin. We're confident with the guidance that Peter provided on gross margin in his opening comments.



Example 2: Baseline Response

Yes, good morning, and thanks for the question. I think it's fair to say that the iPad, while it's still a relatively new product for us, has a different profile than our other devices. One of the key differences is the cost structure of the iPad, which is higher than our other products. We've talked about the fact that the iPad has a larger display, a more powerful processor, and a higher-quality battery, all of which contribute to a higher bill of materials cost.

In terms of the historical pattern of gross margin expansion, I think it's fair to say that we're still early in the iPad cycle. We've only had the product on the market for about a year now, and we've been focused on ramping up production and getting the product out to as many customers as possible. As we move forward, we do expect to see some gross margin expansion, but it may not follow the exact same pattern as our other products.

In terms of the most recent quarter, I think we did see some pressure on gross margin due to the fact that we were still ramping up iPad production and we had some yield issues with certain components. But we're working hard to address those issues and we're confident that we can get our gross margin back on track as we move forward.



Example 2: Fine-Tuned Response

- Ben it's Tim. As you know we don't give guidance past the current quarter. And so I'll avoid doing that. But I would point out that as you know we just announced the new iPad and the new price points. And so it's very difficult to make a comment about gross margin in the context of that. But we've obviously put our best thinking into the guidance that Peter provided earlier in the call.

Example 2: True and Fine-Tuned Responses

True Response

- Bill margins consist of a number different factors like which direction the commodity markets are going? Where the product is within the product life cycle as well as the value of [ph] engineering that we do and negotiating we do and so forth. And so I don't think that you can take a single product kind of out by itself and speak about it with any accuracy. And as you know we don't guide at the product level on the margin. We're confident with the guidance that Peter provided on gross margin in his opening comments.

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Example 3: Profile and Question

Profile

- Your name is Timothy. You are the CEO (ID55422) of a Information Technology Hardware company. You are interacting with other participants at Earnings Calls on 2013-07-23. Given the following conversation history, continue the next response as the CEO (ID55422).

Question

- Analyst: Okay. And then Tim kind of a philosophical question. But whenever you talk about what's important to the company it always comes back to great products better being more important than more. Wall Street's kind of in the more business. So I just wonder kind of talk about your philosophy and if you can come up with a couple really great products maybe they provide enough growth maybe they don't. But you don't seem as focused on kind of financial metrics and growth projections as a lot of companies are. Maybe tie that a little bit into your functional organization. Does that limit how many products you can actually take to market over time?



Example 3: True Response

- Steve I'd think about it differently than that. The way I think about it is we're here to make great products. And we think that if we focus on that and do that really really well that the financial metrics will also come. And so we don't see those 2 things being mutually exclusive. We see them having great overlap. And I think if you look at how the company has executed over many years it would suggest that that's possible.



Example 3: Baseline Response

A philosophical question indeed. (laughs) Let me tell you, I've always believed that our focus on great products has been the key to our success. And I think it's because we've always put the customer at the center of everything we do. We've never been about chasing short-term gains or meeting Wall Street's expectations at the expense of our values and our vision.

For us, it's not just about creating products that are better, it's about creating products that are transformative. We want to make a real difference in people's lives. And if that means sacrificing some short-term growth, then so be it. We're willing to take that risk because we believe that in the long run, it's the right thing to do.

Now, I know some of our investors might be thinking, ""But Tim, what about the numbers? What about the growth projections?"" And I get that. I really do. But the truth is, our functional organization is designed to allow us to focus on what matters most. We don't have a separate product development team and a separate sales team. Our product development team is the same team that's responsible for sales and marketing. They're all working together to create products that meet the needs of our customers.

That means we're not limited by a traditional product development cycle. We can iterate and innovate faster, and we can take more risks because we're not beholden to a separate sales organization that's pushing for more, more, more. Does that mean we can't take as many products to market? Possibly. But I'd rather have a smaller portfolio of products that truly meet the needs of our customers than a large portfolio of products that are just me-too or incremental.

So, to answer your question, our functional organization is designed to allow us to stay focused on what matters most: creating great products that make a difference. And if that means we don't meet Wall Street's growth expectations, then so be it. We're willing to take that risk because we believe it's the right thing to do for our customers and for our company.

Example 3: Fine-Tuned Response

- Well I think that the key to success in the long term is to make great products. And if you can do that then the financial metrics will follow. And so I think it's very important to stay focused on the things that are really important. And so we don't get too distracted by the day-to-day movement of our stock price or the quarter-to-quarter movement of revenue. We're more focused on the long term and the long term is about great products. And so as long as we're focused on that then I think we'll do well. In terms of the number of products we're working on we're always working on more than one. And so there's no change there. And I think you can see the number of products that we have in the market right now and the quality of them. And so I'm very happy with what we're doing.

Example 3: True and Fine-Tuned Responses

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What's Next?



Data Needed: Finetune a Model for Clients

- CRM data
 - Quantitative
 - Text
- Interview data
 - Preference
 - Decision making style, processes used
 - Personal profile (demographics, experiences, etc.)
 - Questions they asked about a specific product/service and reactions to answers given

More on CEOs and Marketing: Tomorrow



Strategic Marketing
Leadership Emphasis
(SMiLE)



CEO Types by Marketing
Emphasis



Use AI to Train Digital
Twin for CEO Type



What if analysis...



Thank you!

Suggestions!

Collaborations!

