

● SAMPLE DELIVERABLE

AI EXECUTIVE ASSESSMENT · DECISION RECORD

Private, Commercial, or Hybrid

The architecture decision, made on evidence — including why private AI lost.

PREPARED FOR

Meridian & Frost, PLLC
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STATUS

Accepted March 17, 2026
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PREPARED BY

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The question

M&F handles client tax-return information all day, and one question kept returning in the assessment interviews: does that duty require the firm to own its AI infrastructure — a private model on hardware it controls — or can enterprise commercial tools carry the work? This memo records the decision and the evidence behind it, so it can be revisited on facts instead of re-argued from instinct.

The decision

Hybrid, commercial-first: enterprise Claude + Microsoft 365 + a governed, permission-aware knowledge layer over SharePoint, Karbon, and CCH documents. Private AI evaluated and deferred.

Read this knowing what I sell

Private AI implementation is a service on my rate card. I am recommending that Meridian & Frost not buy it. The evidence below is the reason; if the firm's profile changes (page 4), I will be the first to reopen the question.



The decision drivers

Data profile

Roughly 6 in 10 client-facing hours touch Tier 3 data — client tax-return information under §7216, PII, audit workpapers. That demands control. But no client contract imposes data-residency terms, and no regulator requires on-prem processing. The duty is governance, not physical possession of servers.

IT capacity

Tom Osei runs IT with a team of two, covering 118 people, two offices, and a remote group. A private stack adds GPU infrastructure, model-server patching, and on-call duty. Nothing in the firm's plans funds a third hire to carry that.

Budget reality

A \$24M firm's AI budget has to survive a partner vote every year. Private AI spends \$600–900K over three years before the first hour is saved. The commercial path ships its first workflow inside 90 days at a fraction of that.

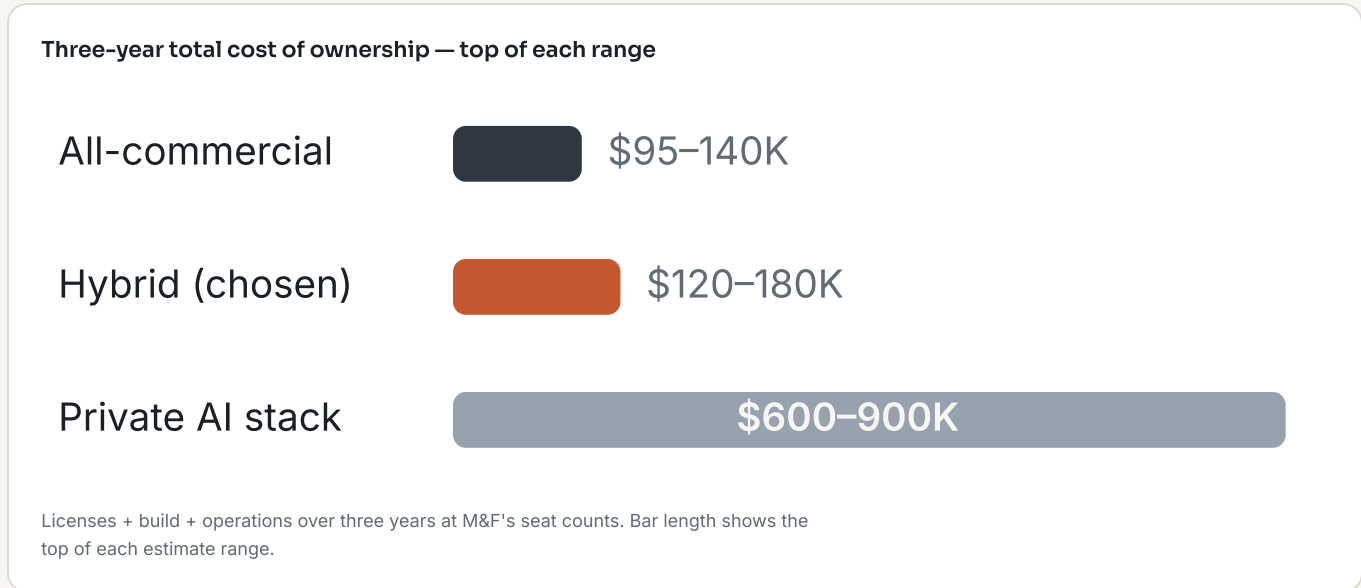
Where staff already work

All 118 people live in Microsoft 365 — email, SharePoint, Teams — with CCH Axxess and Karbon around it. Tools that show up inside that workflow get used; tools that demand a new destination don't. Adoption risk is an architecture input, not an afterthought.

\$ Options considered

Three architectures, scored against the same evidence: the data profile, the two-person IT team, the budget, and the systems staff already use. Costs are three-year totals — licenses, build, and operations — at M&F's seat counts.

	ALL-COMMERCIAL	HYBRID, COMMERCIAL-FIRST CHOSEN	PRIVATE AI STACK
3-year TCO	≈ \$95–140K	≈ \$120–180K	≈ \$600–900K
Compliance fit vs \$7216	Enterprise no-training commitments plus M365 DLP clear the bar.	Same, plus a governed layer that brings Tier 3 work into scope.	Strongest isolation — exceeds what \$7216 actually requires.
Burden on 2-person IT	Low — vendor-managed SaaS, admin consoles.	Moderate — one governed layer to run and permission-audit.	High — GPU infrastructure, model updates, patching, on-call.
Time to value	First workflow in weeks.	Weeks; the knowledge layer adds months for Tier 3.	9–15 months before the first saved hour.
What breaks first	Tier 3 work stays manual — a ceiling on value.	Knowledge-layer permissions must mirror SharePoint exactly.	The IT team. Two people cannot run this.



Private AI lost on arithmetic, not ideology — 4–6× the cost for no additional compliance benefit at M&F's current profile. The hybrid option costs modestly more than all-commercial and buys the one thing all-commercial can't: a governed way to put Tier 3 work in scope.

What this decision commits M&F to

COMMITMENT	OWNER	DATE
Enterprise agreements with contractual no-training commitments — executed before any client-adjacent rollout. No commitment, no contract.	Marcus Bell	Apr 2026
Governed, permission-aware knowledge layer for Tier 3 work — piloted first, expanded on evidence, permissions mirrored from SharePoint.	Brad Taylor · Last Rev	Q2-Q3 2026
Annual architecture review — this memo gets re-argued from current facts, in writing, once a year or on any trigger below.	Brad Taylor	Mar 2027

Revisit triggers — when this decision reopens

“Deferred” is not “dismissed.” Any one of these reopens the private-AI evaluation, unprompted.

RIA registration scale

If the wealth practice approaches RIA registration at ~\$1B in assets under advisement, the regulatory perimeter changes — custody, books-and-records, and examiner expectations re-price isolation.

Residency terms in a contract

The first client contract that imposes data-residency terms changes the math for that engagement class. Nothing in the current book requires it — which is a fact worth re-checking, not assuming.

Vendor commitment change

A material change in enterprise-tool data commitments — no-training terms weakened, retention extended — collapses the compliance case for commercial-first. This memo reopens immediately.

Decision record

Proposed Mar 13, 2026, assessment readout draft · **Accepted** Mar 17, 2026 — Dana Whitfield, Managing Partner · **Review due** Mar 2027, or on any trigger above.

About this sample

This memo is an output of the two-week AI Executive Assessment. Notice what it does: an advisor who sells private AI implementation put in writing that this client shouldn't buy it. The recommendation follows what your data, team, and budget can support — that is the product.

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