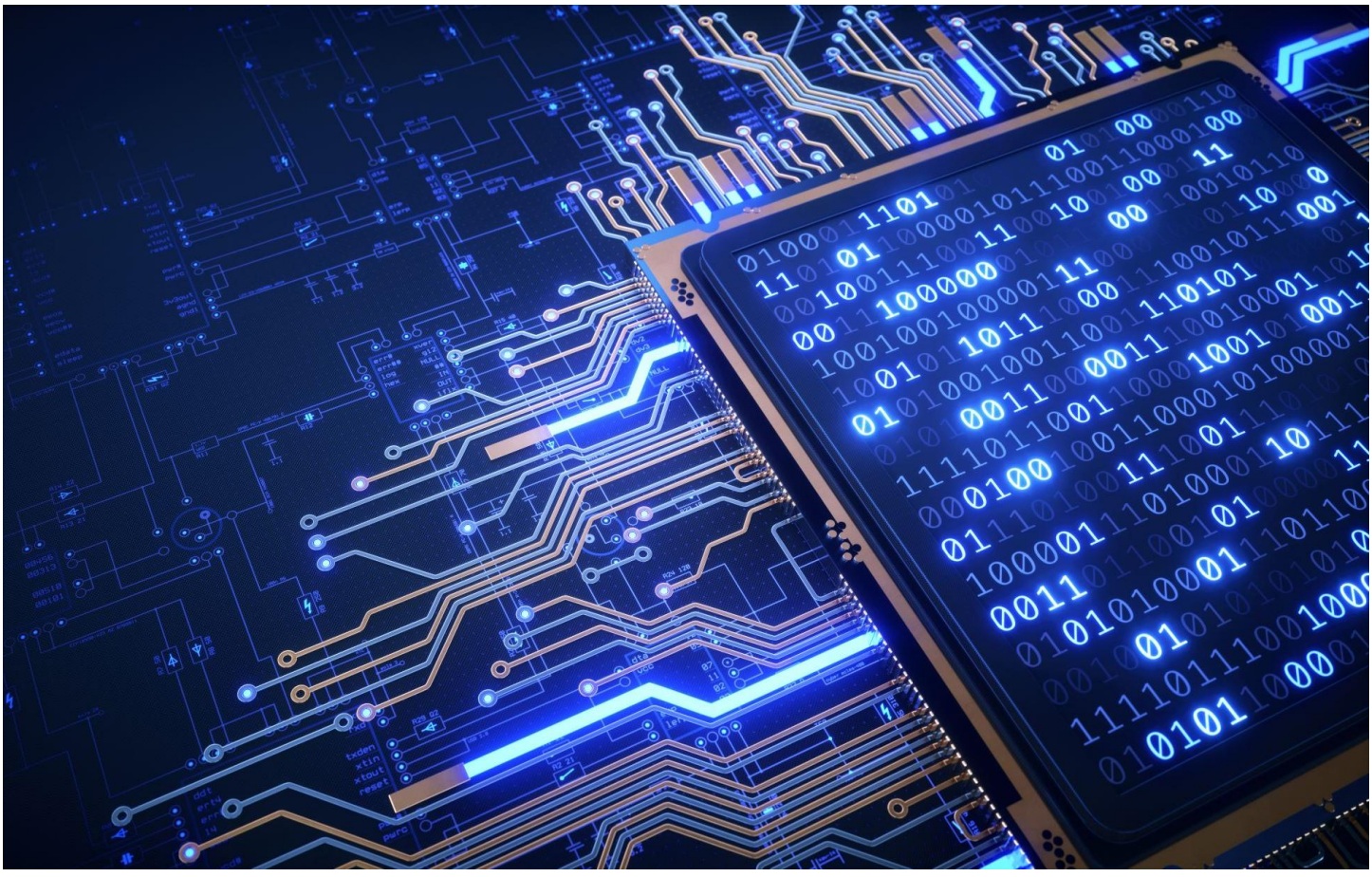
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Integral IQ

Unlocking operational alpha
Transform first, then amplify with AI

Strong foundations determine the value AI unlocks

Point of view – Part 3 | **November 2026**



by S&P Global

This is the third part of our analysis on asset managers' transformation to unlock operational alpha

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The AI conundrum

In the first two parts of this series, we set out why asset managers must transform their operating models and how to execute that transformation. But the question we now hear in almost every client conversation is this: with AI advancing rapidly, does it make sense to commit to a multi-year operating-model transformation, or should managers hold back, integrate AI first and let it rewrite the economics?

The question is no longer academic. AI has moved from pilots to production, and the capabilities maturing fastest, including document intelligence, drafting, summarisation and agentic task execution, land squarely on the enabling-function workflows that the transformation targets. That overlap is precisely what creates hesitation. If an AI agent will soon handle a workflow end to end, why spend two years transitioning and re-engineering it?

But cost pressures have not paused while managers search for the answer. They are structural, compounding and being felt now. Managers therefore face a genuine sequencing decision, with real downside in both directions: wait too long and costs that could have been removed years earlier continue to accumulate; move blindly and risk hard-wiring a model that AI makes obsolete. Getting the sequence right is the live question of 2026.

The AI impact lens

Rather than judge AI on instinct, we applied the same prioritisation lens used in the execution framework, business impact against change-management complexity, and re-scored every workflow for the expected impact of AI. We then assessed where each workflow moved on the matrix.

The logic is deliberate. AI does not affect a workflow in a single, uniform way. It can automate routine tasks, augment experts on more complex ones, introduce new model risks and still demand human oversight where judgement is irreducible. Netting these forces against one another, rather than assuming AI simply makes everything easier, turns the broad assertion that “AI will change everything” into a measurable, workflow-by-workflow question.

The result is not a new map, but a sharper reading of the one the transformation had already drawn.

The rescoring methodology

The re-scoring is based on four AI parameters. Two improve a workflow’s position and two work against it, meaning a workflow moves meaningfully only when the gains clearly outweigh the drags. Each parameter captures a specific force that AI exerts and moves the workflow in a particular direction on the matrix.

Automation *Raises business impact*	**Augmentation** *Lowers change complexity*	**AI risk** *Raises change complexity*	**Oversight** *Pulls business impact back down*
• How much is rules-based & high-volume enough for AI to run end to end • Rule-based, high-volume workflows are strong candidates; judgmental or contextual that can’t be codified is not • The higher the automatable share, the more cost and capacity AI releases — lifting the workflow’s business impact	• How AI can support the expert – ground truth, structured data & easy validation • Clean, structured data with a high manual-error burden is the ideal fit; unstructured data with no ground truth is not • Where AI can be checked easily, adoption is lower-risk and lighter to embed — reducing change-management complexity	• Risk of poor explainability, bias or error when AI is applied without heavy governance. • Ranges from real-but-contained to severe workflows - without heavy explainability & governance, outcome is worse • Greater the risk, the more, assurance controls & governance for safe deployment adding change-management complexity	• Human-in-the-loop & expert judgement the workflow demands even after AI integration. • Where quality dips are detectable & correctable, light oversight; where judgement is irreducible, high HIL* investment remains. • Retained oversight caps the efficiency AI can deliver — pulling the realistic business impact back down

In short, automation and augmentation move a workflow towards “act now”, while AI risk and oversight hold it back. A workflow crosses into a new quadrant only when the first pair decisively outweighs the second.

Key findings

Running all 30 workflows through this lens produced a clear, and deliberately sobering, picture. Three findings stand out.

Finding 1: AI barely redraws the map, only two workflows change quadrant

Of the full set, just Performance & Risk Analytics and Data ops cross a boundary. Both move from ‘plan for future’ to ‘prioritise and act now’, as automation and augmentation reduce change complexity enough to tip them over the line. AI sharpens the priorities the transformation had already identified; it does not overturn them.

Finding 2: Most workflows shift, but not significantly

The large majority move in the right direction, with slightly more impact and slightly less complexity, but the movement is marginal. Their quadrants, and therefore their sequencing, remain unchanged. The workflows that were first movers before AI remain first movers after it; those that were later plays remain so. The order of the book of work holds.

Finding 3: For some workflows, AI is actively counterproductive

In a handful of cases, the re-scoring moves a workflow in the wrong direction. Product development loses business impact because the work requires extensive expert oversight that AI cannot remove. Enterprise Risk & Compliance gains complexity because AI-related risks, including explainability, governance and the cost of getting it wrong, outweigh the augmentation on offer. For these workflows, reaching for AI without the necessary controls in place makes transformation harder, not easier.



** Change-management axis has been deliberately inverted to improve readability*

The through-line is hard to miss, and it runs counter to the hype. AI meaningfully changes the picture for only a small number of workflows. For most, it refines rather than rewrites the roadmap; for a few, it makes transformation harder without the right foundations underneath. AI is a sharpening tool for the operating-model roadmap, not a substitute for it.

Don’t wait for AI to start transforming

The tempting conclusion, to pause and wait for AI, is the wrong one for two reasons.

First, waiting is not free. Structural cost pressures continue to accrue every quarter the transformation is deferred, and those costs cannot be recovered.

Second, and more importantly, AI cannot deliver on an untransformed base. Point it at fragmented data, undocumented processes and unclear ownership, and it produces a faster mess, not less of one. Transformation is not a competitor to AI; it is a precondition for it. Single ownership, stabilised workflows, a governed data foundation and live metrics are exactly the foundations an effective AI deployment needs.

The answer to the AI conundrum is therefore direct: don’t wait. Sequence AI into the transformation, not instead of it. Build the foundation now, then layer AI onto it as capabilities and controls mature. The firms that transform first will be best positioned to capture AI’s upside. Those waiting for certainty risk discovering that they have built neither the cost base nor the platform they need to compete.

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