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Turning Data into Advantage: AI's Role in the Future of Asset Management

This whitepaper explores how a coherent, enterprise wide data strategy supported by analytics and artificial intelligence can help firms unlock greater value from existing data assets.



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Management Summary

Asset and wealth management firms generate vast volumes of data from internal systems, public sources and third-party providers. Yet much of this data remains underutilised due to fragmentation, legacy platforms and inconsistent governance. This is backed up by [Deloitte](#), who reveal **up to 73% of data in financial services goes unused for analytics**.

This white paper explores how a coherent, enterprise-wide data strategy, powered by advanced analytics and artificial intelligence (AI), can unlock greater value from existing assets. It examines barriers to adoption, the operational and commercial risks of inaction and the power of a trusted single source of truth.

Firms that strengthen their data foundations can enhance decision-making, ensure regulatory compliance, drive operational efficiency and gain deeper insights into clients, portfolios and risks in an increasingly competitive and regulated market.



The data is already there

Asset and wealth management firms generate substantial volumes of data from internal systems, public sources, and third-party providers.

Despite this, much of that data remains underutilised. It is frequently unstructured and dispersed across the organisation, with departments relying on a complex landscape of data repositories, legacy platforms, bespoke applications, and inconsistent data models—contributing to operational inefficiencies.

For many firms, consolidating these disparate data sources and formats into a trusted single source of truth can appear complex and resource intensive. As a result, valuable insights embedded within existing data assets are often not fully realised.

This can hinder the development of a coherent data strategy and limit the firm's ability to extract critical insights to support outcomes such as enhanced client engagement, more informed decision making, and stronger data governance and regulatory compliance.

In this white paper, we discuss [how an investment in Artificial Intelligence \(AI\)](#) can enable asset and wealth management firms to translate existing data into actionable insights and advance strategic objectives such as asset retention, improved liquidity outcomes and cost efficiencies.



Harnessing the potential of enterprise data

Siloed data remains a persistent challenge for many asset management firms, often resulting in material disconnects that limit organisational effectiveness and decision making.

Sales and marketing functions, for example, are typically among the largest consumers of both internal and third-party data. Their analysis commonly focuses on client segmentation by assets under management, product usage and purchasing behaviour.

However, when marketing teams rely primarily on external market data while sales teams draw on internal CRM systems, valuable insights can be missed. Without alignment across these datasets, firms typically struggle to develop a complete and consistent view of their clients.

Establishing a [single, trusted version of the truth](#) can help address this challenge. Many organisations achieve this by creating a “master data system”, which brings together disparate, unstructured data into a consistent reference framework. This approach reduces reliance on multiple data sources, improves controls between systems and enhances data consistency and risk management. In addition, a master data foundation can lower operational costs by reducing time spent reconciling or correcting data, while strengthening auditability and regulatory compliance through improved traceability.

The strategic value of this approach is well recognised. Research from the [Massachusetts Institute of Technology](#) highlights that organisations which effectively harness and operationalise their data are better positioned to navigate complex business environments and sustain competitive advantage.

Modern analytics and forecasting capabilities, underpinned by artificial intelligence, further extend this value. Predictive and prescriptive analytics can be applied across the organisation to support more informed decision making, enhance client engagement, improve targeting, identify emerging investment trends, and provide deeper insight into fund performance and risk.



Predictive analytics focus on understanding likely future outcomes, while prescriptive analytics support decision making by identifying actions that can influence those outcomes.



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Trend analysis

To enable advanced data analysis at scale, asset management firms require a **synchronised data platform** that supports both business intelligence and AI-driven analysis, and which is integrated across all core systems.

Such a platform provides a consistent foundation for insight generation across the organisation, supporting functions including risk management, portfolio management, performance measurement, regulatory reporting and market and trend research.

By consolidating data and analytics capabilities, firms can improve the quality, timeliness and consistency of insights used to inform decision-making and ultimately enhance the client experience.

What's holding asset and investment management firms back?

Data is consistently highlighted as a critical concern for asset and investment management firms. However, levels of maturity remain uneven. A recent [Deloitte survey of CFOs](#) found that **40% reported a "low" or "medium" level of sophistication** across a range of data priorities. While 85% of respondents indicated a significant acceleration in digital transformation, many firms remain hesitant to invest in a comprehensive, enterprise-wide data strategy.

This challenge is well recognised across the industry. [Deloitte research](#) highlights that asset management firms often hold significant volumes of data that are unstructured, fragmented, and distributed across disparate systems, creating operational inefficiencies. And without a clear data strategy and governance framework in place, firms struggle to treat data as a strategic asset capable of delivering actionable insight.

As Deloitte notes, a well-designed data strategy enables investment management firms to leverage existing data assets more effectively, supporting improved decision making, strengthening governance, and generating insights that contribute to long-term sustainability and revenue growth.



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Reluctance to invest

Despite widespread recognition of the strategic importance of data, many asset and wealth management firms remain hesitant to invest in a comprehensive, enterprise-wide data strategy. The underlying reasons vary, but typically fall into several common themes:

→ **Perceived cost**

Some firms overestimate the scale, complexity, and cost associated with implementing a modern data platform, particularly where legacy systems are already in place.

→ **Unclear value proposition**

In certain cases, organisations lack a clear understanding of the tangible business outcomes that a well-defined data strategy can deliver, making it difficult to build a compelling investment case.

→ **Lack of direction**

While the value of improved data capabilities may be acknowledged, firms are often uncertain about where to begin or how to structure an effective, phased approach.

→ **Change fatigue and competing priorities**

Organisations may recognise the need for change but struggle to secure executive sponsorship or funding due to competing transformation initiatives and previous investment commitments.

→ **Focus on established activities**

Resources are frequently directed toward familiar, incumbent initiatives that are well understood, even where these approaches may no longer deliver the outcomes required to support future growth and competitiveness.

Consequences of reluctance

The consequences can be substantial:

The impact of a delayed or fragmented investment in data strategy is often felt across the organisation. Without clear visibility into available information, teams are required to operate with incomplete datasets and frequently duplicate effort to source similar insights. As a result, the broader benefits of an integrated, enterprise-wide data platform remain unrealised.

- Poor data quality and inconsistency can erode confidence in reporting and analytics.
- Ambiguity around data ownership and purpose can limit the organisation's ability to define and execute a coherent data strategy.
- Opportunities to identify trends, risks, or emerging client needs may be missed, constraining decision making and strategic responsiveness.
- Growing customer dissatisfaction, reduced ability to anticipate and mitigate churn
- Increased pressure on assets under management.
- Operational inefficiencies and higher costs, coupled with slower revenue growth, can further weaken competitive positioning.

In today's increasingly competitive market, firms that fail to invest in a coherent and well governed data strategy risk falling behind peers that are better equipped to translate data into valuable insights.



Realising the value of data and analytics

When implementing data and analytics capabilities, asset management firms must recognise that requirements vary by organisation. Effective solutions should be appropriately scaled and aligned to clearly defined business objectives, rather than adopting a one-size-fits-all approach. A well-designed data foundation, combined with AI-enabled analytics, can enable firms to:

- 1 Access trustworthy, secure and actionable data across the organisation.
- 2 Establish a robust foundation for more insight-driven decision making.
- 3 Maintain a consistent, trusted version of the truth to support governance and value creation.
- 4 Support strategic, long-term planning initiatives.
- 5 Enable timely, data led decisions that support asset retention, distribution effectiveness and liquidity management.
- 6 Analyse historical trends and generate forward-looking insights to inform investment decision making.

Firms that invest in a robust and synchronized data strategy are generally better positioned to embed data driven decision making across the business. [Research from McKinsey & Company](#) indicates that organisations which prioritise analytics can make informed decisions three times faster and see profits up to 8% higher than their competitors.

[Forbes has also highlighted](#) a strong correlation between data driven operating models and improved commercial outcomes, noting that organisations with mature data capabilities tend to outperform peers in areas such as customer acquisition and sustained profitability. They reveal that data-driven companies are **23 times more likely to outperform their competitors** in customer acquisition, 19 times more likely to stay profitable, and nearly seven times more likely to retain customers.

Becoming a data-driven enterprise

When treated as a strategic asset, data can generate value that exceeds the cost of its storage, management and governance. For asset management firms, this value is realised through the consistent and effective application of data across investment, distribution, risk and operational functions.

A data-driven enterprise establishes clear oversight of how data is collected, managed, analysed and applied. It builds defined use cases, using analytics and automation to support more informed decision making, operational efficiency, and innovation which can lead to enhanced client segmentation, robust insights into product performance and improved investment outcomes.

As individual use cases are prioritised and measurable value is delivered, the strategic rationale for treating data as a core enterprise asset becomes increasingly clear. Over time, this approach enables firms to embed insight led decision making across the organisation, strengthening competitiveness, resilience and long-term growth.



Conclusion

Asset management firms are operating in an environment characterised by margin pressure, increasing regulatory complexity and slower growth. These dynamics are reinforcing the need for strategic transformation and greater operational efficiency to remain competitive.

Breaking down data silos and leveraging AI enables faster, smarter decision-making. However, data is still often treated as a cost of doing business rather than as a strategic asset capable of delivering sustained value.

As investment strategies and product offerings become more complex, regulatory requirements continue to expand. This places greater emphasis on establishing a coherent data strategy—one that ensures information is securely governed, consistently structured, and capable of supporting accurate reporting, while also enabling self-service analytics and more advanced analytical use cases.

Organisations that take a disciplined, enterprise-wide approach to data and analytics are better positioned to strengthen insight led decision making, improve operational performance and respond more effectively to evolving client and market expectations.



How HSO can help

HSO brings decades of experience working with asset and wealth management firms to help design and implement robust data strategies that are practical, scalable and aligned to regulatory and governance requirements. Our approach focuses on building a solid data foundation that supports long-term growth, operational efficiency and innovation.

HSO's Asset Management solutions support firms in making more effective use of their data to improve operational efficiency, strengthen decision making, and remain competitive in a changing market environment.

By combining a unified data platform with advanced analytics capabilities and industry specific functionality, firms can establish a secure and scalable foundation for integrating data across the organisation.

And with the right data architecture in place, asset managers are better positioned to enhance client engagement, support sustainable growth and respond effectively to evolving regulatory and market demands.

Become an insight driven firm of the future

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