Catching the AI Wave pt. 2: Building Momentum and Moving with Purpose

A Tactical Guide to AI Execution in Investment Management

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Executive Summary

With the landscape mapped and readiness assessed in Part 1, the second installment of this series turns strategy into execution. It offers detailed, stage-based action plans that guide firms from cautious experimentation to sustained AI integration.

From launching low-risk pilots to re-architecting workflows and establishing responsible AI governance, Part 2 provides tactical guidance that meets firms where they are. This section is for those ready to move—not all at once, but with purpose and clarity—toward building AI capabilities that are sustainable, measurable, and aligned with their firm's broader goals.

I. A Strategic Roadmap for Asset Managers

AI adoption in investment management is no longer theoretical. It's happening—fast. In part one of this series, we explored why AI matters, what AI agents are, and how firms can assess their readiness using a four-phase maturity framework. For many, that first step is simply acknowledging where they are and starting to build momentum.

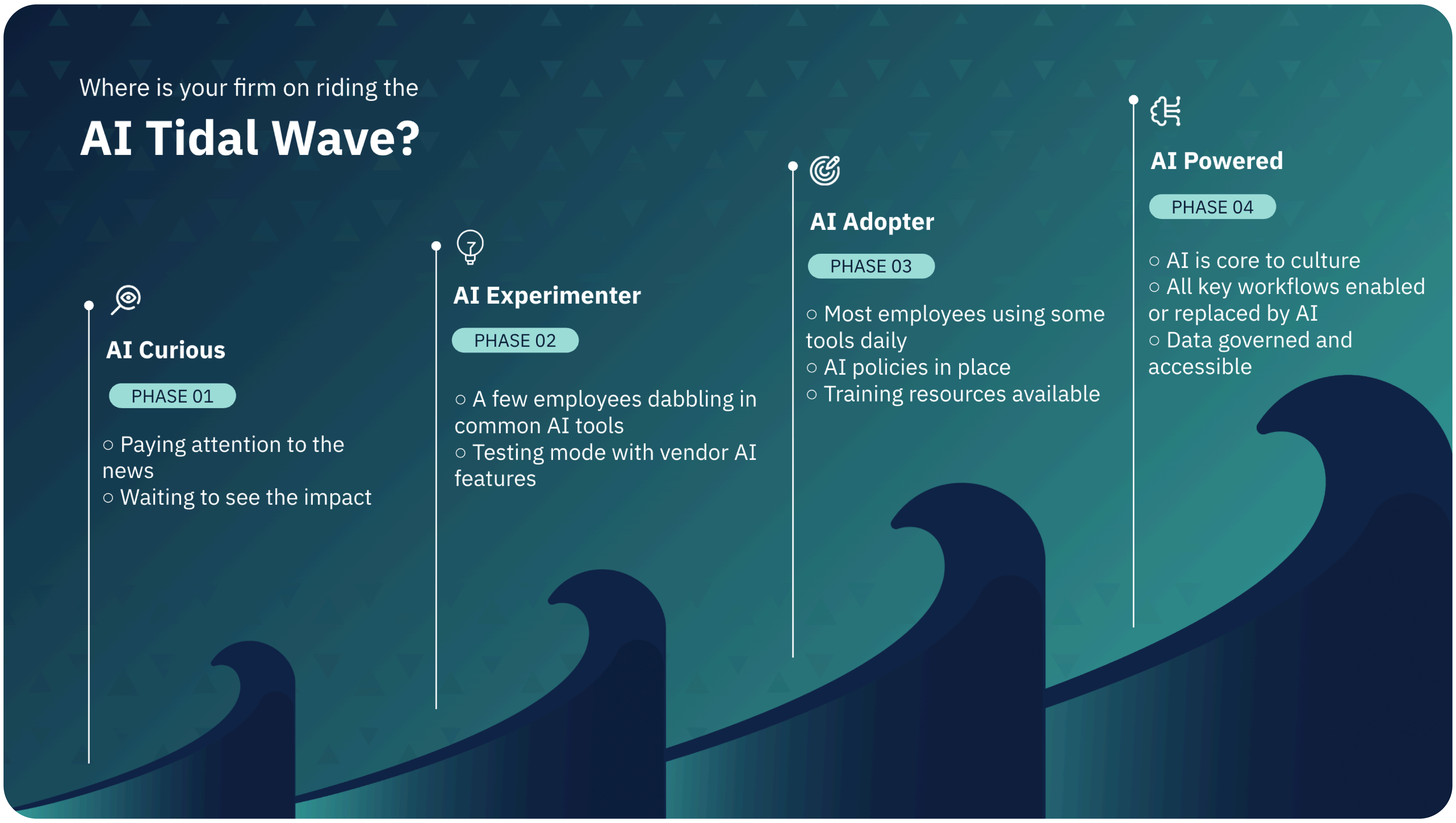
Part two picks up where that story left off. Now that you've mapped your firm's position on the curve, the question becomes: what next?

This section lays out practical action plans tailored to each phase of maturity. Part one was about orientation. Welcome to part two. Let's get moving.

II. AI Action Plans by Phase

These next few pages outline practical roadmaps tailored to your firm's current phase of AI readiness. Whether you're just beginning to explore or already rolling out pilots, these steps are designed to help you build momentum and progress with confidence:

1. **Identify your AI phase:** Understand where your firm is positioned, from AI Curious to AI Powered.
2. **Follow actionable steps:** Each phase has steps to follow to move you towards the next phase. Discuss these with your team and make a plan.
3. **Execute your plan:** Trial and iteration is the name of the game in this fast-moving space. No plan is perfect, so don't delay starting. Be ready for learning and change, and embrace it.
4. **Track progress:** Monitor key metrics to measure success, drive sustained growth, improve decision velocity, and maintain a competitive edge.



Phase 1: AI Curious

How do you know your firm is AI Curious?

- You've seen AI in the news, and you're wondering how it will impact you, your firm, and the world.
- You are unsure what to do and waiting to see what happens.

How can you move your firm to the next phase?

Goal: Launch 2-3 low-risk pilots inside six months and prove at least one measurable win.

- **Establish an AI working group** across key functions to understand and own the transformation process and report to the COO/CIO.
- **Index and audit data sources, quality, and access.** A good data strategy supports a good AI strategy. Use this step to assess where you are with data.
- **Adopt a basic vendor-risk checklist** covering data retention, model provenance, and incident response before any contract is signed.
- **Pick "quick-win" proofs-of-concept** that matter to your functions—e.g., meeting preparation or earnings-call summarization.
- **Procure and trial several AI tools** such as ChatGPT Enterprise or MS Copilot that might solve for the use cases you've identified. Identify a group of interested employees to try them out and start experimenting.

Exit metric: At least one pilot with a cost-or time-saving estimate and a go / no-go decision signed off by the working group.

Phase 2: AI Experimenter

How do you know your firm is an AI Experimenter?

- A few people are trying broad tools like ChatGPT or MS Copilot.
- You are reviewing or testing vendor features or products that utilize AI, but you don't have policies, guidelines, or success criteria in place.

How can you move your firm to the next phase?

Goal: Move successful pilots into production, with firm-wide policy and training.

- **Publish an AI-use and model-risk policy** (ownership, record-keeping, explainability) aligned to SEC draft guidance.
- **Productionize 1-2 pilots**—purchase and roll out new tools and broaden usage across employees in your firm's daily workflows.
- **Introduce role-based training and certify "AI champions."** Training is key to upskilling your employees on new tools and processes. Leverage AI champions who are naturally curious and adopt change, and consider training through third parties.
- **Track value KPIs** such as usage metrics, hours saved per week, or errors avoided. Publish a quarterly benefits dashboard.

Exit metric: >30% of employees use at least one approved AI tool weekly and a board-approved AI-risk framework is in force.

Phase 3: AI Adopter

How do you know your firm is an AI Adopter?

- Many employees are using AI tools daily in some way.
- You've started using vendor tools for key business processes, and you're actively looking for new ways to use AI.
- You've set up policies for how AI should be used at the firm, and you're actively training your new and existing employees.

How can you move your firm to the next phase?

Goal: Re-architect core workflows so AI drives differentiated alpha, risk, and client experience.

- **Modernize the data and technology stack.** Clean, organized data and AI-ready technology are key to keeping up with the wave. Look for vendors that are able to make use of your data to add value efficiently.
- **Identify major business workflows for AI disruption** and match these use cases to available tools. For example, how can AI be used to speed up and reduce risk around critical processes like trade compliance.
- **Institutionalize explainability and monitoring.** Ensure all tooling and vendors offer data controls, audit logs, explainability, and build processes to regularly monitor these.
- **Make up-skilling cultural.** Mandatory quarterly AI training, workflow evaluation, and a recognition program for successful uses.

Exit metric: >70% of priority workflows AI-enabled. >50% of employees are using AI tools every week.

"AI agents can analyze portfolios and client information with a level of depth and nuance we previously thought unachievable. By handling routine work, we expect these tools will empower our team to focus on higher-impact workflows that drive value for our clients."

– Ridgeline Customer Adam Oreglia, Director of IT, Saratoga Research & Investment Management

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Phase 4: AI Powered

How do you know your firm is AI Powered?

- All major workflows are enabled or replaced by AI.
- AI training and adoption is a core part of the culture, governed by metrics.
- AI responsible use and data governance policies are in place and regularly reviewed.
- Data foundations are in place to enable AI access.

How can you maintain your status as an AI Powered firm?

Goal: Keep your AI edge by institutionalizing continuous innovation and disciplined value tracking.

- **Regular vendor capability review and training.** Innovation is happening quickly with AI, pay attention to improvements and regularly evaluate new use cases, augmenting your processes and training as needed.
- **Model change and monitoring.** For home-grown tools, use source control to track changes (including prompts) and run regular model testing to keep tabs on quality drift for audits.
- **Fully engaged people and culture.** Leadership should model reflexive AI use. Provide time to employees for learning, and testing new use cases. Support the growth and learning of “AI champions” who will be the core of your continual innovation machine.
- **Quarterly policy and risk refresh.** Update the AI-use policy every 90 days against the current regulatory guidance. Maintain a model and use case inventory, and schedule independent risk reviews.

Metrics to watch: Employee AI usage, time savings, user feedback.

III. Navigating the Next Step

AI is reshaping how work gets done across investment management. It’s changing how teams allocate their time, make decisions, and respond to client needs. The opportunity now is to apply it with care, freeing people from the tasks that slow them down and making room for better thinking, faster workflows, and stronger client relationships.

The first step doesn’t need to be perfect. Start small. Run a pilot. Build a checklist. Open the conversation. The firms making steady progress are the ones not afraid to learn as they go, adapting quickly, building confidence over time, and creating the conditions for broader success. That’s how you move from AI Curious to AI Powered—that’s how you catch the wave.