

Yesterday's future belongs to the past

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Asset servicing is being reshaped by forces that are pulling the industry into uncharted territory. Retail alternatives are opening private markets to thousands of new investors.

Evergreen funds are blurring the line between private and public capital, requiring continuous flows rather than predictable cycles. Regulators are pushing for real-time reporting, while clients expect interactive dashboards rather than static PDFs delivered weeks after the fact. GP's and their LP's demand excellence from their service providers in terms of accuracy and timeliness. Client churn rates are rising, driven mostly by quality issues that erode trust. And at the same time, clients remain focused on price, looking for the most cost-effective service. This dual pressure with **higher expectations for quality on one side, relentless cost discipline on the other, defines the industry's dilemma.**

Traditional operating models are straining to cope. The complexity has only increased, with fragmented systems and production distributed across multiple onshore and offshore sites that demand constant coordination. This operating model has now reached its limits. **Technology is no longer a 'nice to have'; it is the only path forward.**

From Generative AI to Agentic AI

Generative AI has already demonstrated its value. It can read contracts, extract patterns from unstructured documents, and draft reports in minutes instead of days. In many cases, it has improved both accuracy and timeliness while lowering the cost of routine tasks. But its deployment has often been piecemeal. GenAI accelerates work; it makes individual processes faster and cleaner, yet it does not, by itself, reinvent how work is organized or delivered.



Agentic AI executes

These are systems capable of operating with a high degree of autonomy: they "understand" goals, plan the steps, and carry them out while adapting to changing conditions. They no longer wait for inputs; they act proactively. Instead of humans stitching together workflows, software agents coordinate with each other to **deliver outcomes end-to-end**. Humans remain in the loop, but as supervisors and decision-makers for the exceptional cases. With Agentic AI, the solution owns the process and the outcome, in real time, not as a quarterly catch-up exercise. Embedded intelligence replaces fragmented manual tasks. In short: **GenAI assists, but Agentic AI executes.**

The First Battleground: Onboarding, AML, and KYC

Few processes illustrate the stakes more clearly than investor onboarding. It is both the entry point for business and the frontline of compliance. Getting it wrong has consequences on both sides of the ledger. A false positive, where a legitimate investor is wrongly rejected, frustrates managers and results in lost business. A false negative, where a risky investor slips through, is even worse, carrying the potential for sanctions, reputational damage, or exposure to money laundering and terrorist financing.

To minimize these risks, most firms rely on exhaustive manual reviews. Compliance teams spend days, sometimes weeks, checking documents, cross-referencing databases, and writing reports. The longer this takes, the higher the risk of losing good investors who simply refuse to wait. Retail alternative funds magnify the challenge. Instead of a handful of institutional investors, administrators must now onboard hundreds, even thousands, of individuals in a continuous stream. Manual processes cannot scale to that level. Agentic AI changes the equation.

Specialized agents can extract and structure data from passports and contracts, check sanctions and politically exposed person (PEP) lists in real time, analyze adverse media, and validate results through critical agents, monitor expiration dates of identification documents, and generate follow-up emails. Humans intervene only for edge cases. The result is faster

onboarding, fewer false positives, fewer false negatives, and dramatically lower cost per investor.

Data Governance: The Quiet Force

Data governance is the silent weakness undermining everything else. Asset servicers are drowning in unstructured inputs: Excel files, PDFs, and emails arriving from multiple parties. The same information is sometimes duplicated across several systems, inconsistent and incomplete, feeding downstream errors and reconciliation nightmares. Some providers have automated fragments of the process through OCR tools and workflow solutions, but the result sometimes add more complexity to the global setup. A piecemeal approach cannot resolve the fundamental problem: **without trusted data, every report and every decision sits on shaky ground.**

Agentic AI provides a systemic solution. Data pipeline agents ingest and normalize information from disparate sources. Validation agents detect anomalies, rerun workflows when necessary, and escalate only when human oversight is required.

Research agents enrich data with external feeds, ensuring it is complete and up to date. Instead of skilled professionals wasting 90% of their time on collection and cleaning, they can focus on the 10% that requires judgment and analysis. The more these agents process, the more they learn and the more they reduce the percentage of tasks requiring human intervention. The payoff is felt across the chain: more accurate reports, faster delivery, fewer restatements, and higher client satisfaction while reducing structural cost.

Yesterday's Future May Well Already Be Obsolete

The lesson for asset servicers is clear: technology adoption cannot be reduced to a series of isolated automation projects. The industry does not need another patchwork of quick fixes. What it needs is a **client-centered methodology that begins with the end in mind: delivering accuracy, timeliness, and cost efficiency simultaneously.**

The methodology is straightforward

Start by mapping every process in the client value chain. For each, assign three ratings: the frequency and

impact of errors (accuracy), the consequences of delays (timeliness), and the share of total production costs (cost). These ratings must translate into measurable objectives so that progress can be tracked over time, not only in terms of cost savings but also in terms of service quality and delivery speed.

The next step is to look beyond individual fixes. Processes rarely exist in isolation; they interact with one another in ways that magnify weaknesses. A delay or error in one area often cascades and amplify across the chain. That is why leaders must think in terms of whole systems, not fragments, assessing interdependencies and designing solutions that address the broader operating model rather than one task at a time. Once priorities are set, each process should be evaluated against different options.

Offshoring, partial automation, a complete redesign, or even leaving it unchanged, and the impact of each choice measured against the three axes of accuracy, timeliness, and cost. Crucially, **progress must be tracked against the objectives defined at the outset**, ensuring that transformation is anchored in results rather than rhetoric.

This approach shifts the conversation away from technology for its own sake. It ensures that Agentic AI is deployed not because it is fashionable, but because it directly improves the client experience, strengthens the provider's operating model, and enhances its competitive edge and right to win in an increasingly crowded market.

The urgency is heightened by the fact that new players are entering the field. Unlike incumbents, they are not weighed down by decades of complex legacy systems and entrenched operational setups. They can start from an empty page, designing processes natively around data, automation, and intelligence. For them, Agentic AI is not a transformation, it is the foundation.

Incumbents, by contrast, face the harder challenge of reinvention. They must unpick outdated processes, rethink workflows, and overcome organizational inertia. It is more complicated, but it is also unavoidable. Because in asset servicing, the future will not wait for those who hesitate. **Yesterday's future may already be obsolete and the only right to win belongs to those who reinvent themselves now... and in the future.**