



AN INDUSTRY BRIEFING FROM GRAIL

What's Changing in the Bench You're Building

Your senior PMs are being courted by AI-native pods this Friday. Your analyst pipeline has quietly compressed. Your 2030 senior-PM bench is being shaped by decisions you were not invited to. A briefing for Chief Human Resources Officers at mid-market European asset-management firms.

PREPARED BY

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FOR

European mid-market asset
management people leaders

DATE

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Every CHRO at a mid-sized European asset manager has had the same Tuesday in earnings week. Three things in the inbox. Your Head of Talent forwarded Friday's resignation from your best mid-cap PM, the one whose quartile ranking carried last year's marketing materials, the one three of your largest LP relationships asked for by name. She joined an AI-native long-short pod with a 2.5x guaranteed comp number and co-investment terms you cannot match. Your CIO forwarded a CFA Institute report to Wednesday's exec calendar with a single-line note: "BlackRock's LP DDQ now asks about agent-paired research workflows. We have nothing to put in the answer." Your COO flagged that two of your senior analysts are running personal Claude pipelines on holdings analysis without disclosure logging.

You have held this seat for four years. The pattern used to be simple. Hire the right analysts. Pay the senior PMs to stay. Manage the comp committee. Protect the bench. The business was understandable.

Something changed. Your analyst pipeline compressed quietly through 2024 and 2025 because the screening, factor decomposition, and DDQ-assembly work that trained analysts into associate PMs is running on agents. Your senior PMs are reading every AI deployment as a signal about whether the firm is being redesigned around them or without them. The mid-cap PM who resigned on Friday was not the first warning. Your thriving signal dropped at the last engagement survey and nobody reconstructed the team-by-team story. Your works council has more evidence of shadow agent use in research and risk than sanctioned use.

You do not have a retention problem. You have an apprenticeship problem. Your firm's workforce strategy is being written every week in decisions you were not invited to. The question is not whether to have one. It is whose handwriting the one you already have is in. Your senior PMs read it last month. Your works council is decoding it right now. Your 2030 senior-PM bench is being shaped by decisions that look like budget items and are actually architecture.

This briefing covers what is happening in your sector, what it means for the people function you run, and the three questions your leadership team should answer before the next comp committee.

Active management just lost the analyst layer that built every senior PM

For two centuries, the economic architecture of an active asset manager ran on a simple exchange. Analysts did the screening, factor decomposition, and DDQ-assembly work under supervision. Senior PMs exposed them by osmosis to the position-sizing calls, the conviction-under-ambiguity moments, the regime-change reads that became the apprenticeship. Over ten to fifteen years the best analysts became senior PMs. The firm's alpha compounded because the bench compounded. Junior production was sixty to seventy percent of what an analyst did. It is also the layer most exposed to AI.

The AI-native entrants in your category are not experimenting. Coatue-shape long-short pods are paying senior PMs 2-3x base in guaranteed comp with co-investment terms mid-market managers cannot match. Citadel-shape multi-strats run on agent-paired research stacks that compress the analyst layer to a quarter of its 2022 size. The Renaissance-shape quant entrants treat the analyst pyramid as a legacy structure. LPs have armed themselves: FundLP, DD360, and the CFA Institute "Augmented LP" workflows are now part of the standard DDQ. The question that arrives in your next LP meeting is no longer "show us your track record." It is "describe how your investment process uses AI and how your bench is being prepared for the next decade."

Your apprenticeship model ran for two centuries on analyst work that is no longer yours to give. The question is whether the bench gets rebuilt before the 2030 senior-PM opening has no internal candidate.

Passive pressure has not disappeared. Fee compression continues. The mid-market manager is caught between a fee-compressing passive flow on one side and an AI-native talent magnet on the other. Your senior PMs — the top fifteen percent who carry most of your alpha — are watching which way the firm moves. With AI-native pods active and the cost of moving lower than it has been in a decade, the lift-out risk is structural. The Managing Partner who cannot articulate a credible firm-level workforce thesis risks losing the people whose departure would gap the track record permanently.

Your people function is feeling it every day

Your talent acquisition. Your best mid-cap PM resigned on Friday. Your best lateral analyst recruit of the last two quarters came from an AI-native pod that read your firm's hesitation as opportunity. Your graduate analyst offer-accept rate is holding, but the best graduates are asking in second-round interviews how the firm uses AI in research, and "we are thinking about it" loses them to the pod across the street. Senior PMs do not quit on the spot. They start taking the calls. By the time retention moves in the dashboard, they have already decided.

Your L&D. Your firm's L&D budget is allocated to CFA upskilling tracks, compliance modules, and an annual investment conference. None of it is designed for continuous in-the-work coaching, agent-paired research practice, or deliberate analyst-to-associate-PM rotation. Two populations are forming inside your firm whether you designed it or not. The top decile is using agents daily and building judgment that compounds weekly. The rest is practicing the analyst-prep work the agent has already absorbed. Both groups are becoming who they practice being.

Your compensation architecture. Your comp model rewards billable hours of senior-PM time on internal committees, base-and-bonus for the analyst pyramid, and carry pool at the top. AI is compressing the analyst hours. Your senior PMs see the math earlier than your committee does. With AI-native pods active and the cost of independence lower, the top fifteen percent of your PMs are reading every quarter's comp run for a signal about whether the firm is being redesigned around them or without them. The comp committee that met last month did not see this.

Your employee relations and works council. Your works council has opened framework-agreement consultations on three agent deployments that shipped without HR in the room. The regulatory load on people functions has stacked: AI literacy documentation, high-risk recruiting and performance-management systems, works-council framework agreements, data-minimisation in agentic research tools. None of it shows up on the cost-reduction deck on the CFO's desk. All of it lands on you.

Your workforce planning and succession. Your 2030 senior-PM bench has six names on it. Three of them came through the analyst production work that agents have already absorbed. You have not replaced the pathway. The external senior-PM hire in 2030 will cost a 2-3x premium in guaranteed comp, take eighteen months to integrate, and bring the previous firm's process plus an LP book that may not transfer. On a long enough horizon, the CHRO who cut the analyst layer in 2024 is the CHRO the board blames for the 2031 senior-PM opening with no internal candidate.

The apprenticeship clock was always the architecture

Your sector is repricing from below because the analyst production layer is compressing. Your people function is stretched because every deployment decision, every budget line, every framework agreement, every LP DDQ response is a fragment of a workforce strategy that somebody is writing and you are not always in the room when they do. Same force, two altitudes. There is a third thing happening that most mid-market asset managers have not named yet.

Your firm's workforce strategy is being written every week. The agent licence approved in research. The headcount line cut in the analyst pool. The framework agreement opened without HR in the room. The LP DDQ response IR sent on Friday. Your senior PMs read the handwriting last month. Your works council is decoding it right now. Your 2030 senior-PM bench is being shaped by decisions that look like budget items and are actually architecture.

The Renaissance bottega trained the next master not by sending the apprentice to a course but by having the apprentice prepare panels and mix pigments inside the studio while the master painted the central figure. The apprentice graduated to subordinate figures, then to central ones, all on the same canvas, all with the master's edits visible. The patron saw both at work. The apprenticeship was the architecture, not a parallel programme. That architecture is available to your firm for the first time in two centuries, because agents make it affordable to put analysts inside the live position-sizing call again, instead of next to a screening run.

You can tell which camp a firm is in from a single LP DDQ answer. Of your successors on the 2030 list, which ones came through analyst work that still exists? Most mid-market managers cannot answer. The ones that can have already rebuilt the bench.

You have twelve to eighteen months to author the answer deliberately, or the cost-reduction deck on the CFO's desk writes it for you. Same technology. Same workforce. Different outcome depending on whose handwriting the answer is in.

What most managers are doing. What the winners are doing instead.

Every CHRO has had the AI conversation. Most are making the same four decisions. A smaller group is making different ones.

THE DEFAULT PATH

Restrict agents in research for safety

Sixty-nine percent of analysts use them anyway. Senior PMs read restriction as mistrust and start taking the calls.

Cut the analyst layer for this year's number

Cheaper function in Q1. Empty senior-PM bench by 2031. External senior-PM hire at a 2-3x premium the firm cannot absorb.

Announce firm-wide redesign to the partnership vote

Senior PMs whose carry pool gets compressed have the power to kill it. Vote fails. Lift-out risk rises through the next quarter.

Ship the annual engagement survey as your main HR deliverable

Your cadence is slower than the CFO's quarterly deck. Cost-reduction writes the workforce answer. You inherit the damage.

THE WINNERS' PATH

Publish three rules routed by signal class

Public data routes one way. Internal portfolio data another. MNPI-adjacent has a red line. Audit trail writes itself.

Ship one strategy redesigned as a triad unit

Senior PM, analyst, and agent ensemble as one delivery unit. Analyst sits in the position-sizing call from week one.

Six senior PMs author their own bench redesigns first

Eight-week council. They bring it to the vote as work they authored. Lift-out risk converts to ownership equity.

Publish the for-the-PM memo in first 100 days

Two pages, co-signed by the CIO. Referenced every comp committee. Every agent deployment gets decoded against it.

Same workforce. Same twelve months. Opposite outcomes. The difference is whose hand is on the pen.

THREE QUESTIONS

Talent Gravity. Capability Compounding. Succession Readiness.

Three questions every CHRO is tracking. None of them used to be the same question. They are now.

01 · TALENT GRAVITY

Are your senior PMs staying because of you, or despite you?

Your best mid-cap PM resigned on Friday to an AI-native pod. Your best lateral analyst last quarter came from the same place. Your graduate offer-accept is holding, but the best graduates are asking how the firm uses agents in research. Senior PMs watch which way you lean the first time something goes wrong. The ones who start taking the calls have already decided.

02 · CAPABILITY COMPOUNDING

Is the median analyst sharper in December than in January?

Two populations are forming in every manager. The top decile is using agents daily and building judgment that compounds weekly. The rest are practicing analyst-prep work the agent has already absorbed. Your L&D budget funds CFA tracks and an annual conference. Neither moves the median. The firms pulling ahead make the 90th-percentile workflow the firm's default workflow.

03 · SUCCESSION READINESS

Of your 2030 senior-PM bench, how many came through work that still exists?

Your successor list has six names. At least three came through the analyst production work agents have already absorbed. You have not replaced the pathway. The external senior-PM hire in 2030 costs a 2-3x premium in guaranteed comp and brings the previous firm's process plus an LP book that may not transfer. The bench gets rebuilt now or gets inherited as a gap.

What the managers winning this play are actually doing

Four concrete moves any CHRO can start this quarter. Each addresses one sub-function. Pulled together, they become one answer the firm compounds on.

1

Talent: publish the for-the-PM memo in your first 100 days

Two pages, co-signed by the CIO. What this firm believes the PM-of-the-future is. Which investments are being made in the analyst-to-senior-PM pathway. Which roles are being redesigned around judgment and agent partnership. What happens to a role whose tasks change materially. Referenced every comp committee. Every agent deployment after that gets decoded against it. Without the memo, every deployment is decoded against rumour.

2

L&D: ship one strategy redesigned as a triad unit this quarter

Senior PM, analyst, and agent ensemble as one inseparable research-and-decision unit. The analyst does not fetch data for the PM. The analyst operates the agent ensemble in front of the PM during the live position-sizing call from week one. Exposure-to-judgment hours go from one hundred fifty a year on the old apprenticeship to twelve hundred on this one. The apprenticeship clock compresses from twelve years to six. Start with one strategy. Template the next three from the learning.

3

Succession: six senior PMs author their own bench redesigns first

Do not ship a firm-wide redesign to the partnership vote. That vote fails because the PMs being asked to approve it are the ones whose carry pool gets compressed. Invert. Assemble six senior PMs, the ones whose AUM is largest and whose lift-out risk is highest, as the authoring council. Their first assignment: redesign their own analyst-bench architecture in eight weeks. They bring it to the vote as work they authored. The six loudest possible critics become the six loudest possible defenders.

4

Trust: publish three rules by signal class, one escalation, one red line

Public market data routes one way. Internal portfolio data routes another. MNPI-adjacent data has a red line. Three rules about what the workforce can do without asking. One rule about what requires review before it leaves the firm. One rule about what never goes to an agent. Published. Defended to the board when an experiment fails. Senior PMs and analysts watch which way you lean the first time something goes wrong. Published rules create real capability. A thousand sensible no's create the illusion of control and the reality of drift.

The only firm joining workforce authorship to working research

The asset-management CHRO has four places to go. None can do what we do.

The investment-comp benchmarks and exec-search firms (Mercer Investments, McLagan, Korn Ferry, Russell Reynolds, Heidrick AM) sell the survey or the search. The benchmark is the product. When AI compresses the analyst layer, a 2024 PM-comp benchmark describes a workforce that no longer exists.

The Big Four asset-management human-capital practices (Deloitte, EY, KPMG, PwC) run survey-and-audit business models with audit-relationship conflicts. Every manager's answer looks different. A benchmark smooths the differences that actually matter.

The HR-tech vendors with investment-mgmt overlays (Workday, Eightfold, Gloat, Personio) sell platform software. The data encoding which PMs carry which alpha IS your apprenticeship architecture in machine-readable form. Building on the vendor stack licenses it back.

The CFA Institute and L&D content libraries (CFA upskilling tracks, CAIA, LinkedIn Learning, Sana Labs) sell content libraries. The 2026 senior PM is built through judgment-pairing on live portfolio decisions. A module library cannot rebuild what agents collapsed.

The market offers four things you have already said no to. GRAIL is the fifth option.

WHAT YOU GET

Senior advisory that speaks comp committee, not HR-deck

Working research infrastructure your team uses the same week

One strategy redesigned at task level with the PM in the room

A for-the-PM memo the CIO co-signs in your first 100 days

No vendor lock-in at any phase of the engagement

WHY IT MATTERS

Founded by operators who have carried people-adjacent seats

Business first, technology second

Three weeks from first meeting to working infrastructure

Your team keeps the infrastructure, you own the IP

Every next step earned by what just shipped, never assumed

Three sessions with your people leadership. Working infrastructure from week one.

We start with your people leadership team because the change cannot outrun the team's personal understanding of what is possible. Three workshops. Each delivers standalone value. Each earns the right to the next.

WORKSHOP 01

How to think

Walk through what is happening in your sector and inside your people function. Draft the first page of your for-the-PM memo in the room, with your CIO present. Your leadership team leaves with a shared view of what the firm believes the PM-of-the-future is and the first draft of the document the CIO will co-sign.

WORKSHOP 02

Your people infrastructure

A half-day build. Your Head of Talent, Head of L&D, Head of Compensation, and Head of Employee Relations each leave with working infrastructure tuned to their function. Task-level role-mapping agent. Senior-PM-council facilitation architecture. Framework-agreement drafting for the works council. Three-rules trust document by signal class. Infrastructure your team is using the same week.

WORKSHOP 03

Ready to run

Refined infrastructure based on real use. The first strategy redesigned as a triad unit with the PM in the room. The published for-the-PM memo, co-signed. The senior-PM-council kickoff agenda. The CFO conversation with numbers the Managing Partner can check: external-hire premium math, cohort-retention forecast, AUM-per-PM productivity model.

Three weeks. No IT project. No partnership vote needed to start. The infrastructure your people function is already running on when we finish.

For your next comp committee

The questions where your people leadership cannot agree on an answer are the ones worth an hour on the agenda. Ask these honestly.

If you asked three of your senior PMs privately tomorrow whether the firm's AI strategy is being done for them or to them, what would they say? Do you know the names, and can you describe the evidence?

Walk me through one strategy in your firm that has been redesigned at the task level in the last twelve months. Who did the redesign, what changed, and what does the analyst do with their week now that they did not do before?

Of the six names on your 2030 senior-PM bench, how many came through the analyst production work that agents have already absorbed? What is replacing the pathway for the ones whose pathway is gone?

Your workforce strategy is being written this quarter in deployment decisions, budget lines, framework-agreement openings, and LP DDQ responses. How many of those fragments are you the author of, and how many are you decoding after they ship?

Of your senior PMs, the top fifteen percent who carry most of your alpha, have any of them been asked to author the bench redesign yet, or are they waiting to be presented with a vote on yours?

If any of these produces a disagreement in your people leadership, that is the conversation worth having before the partnership vote.

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Three numbers your board reads. AI is rewriting all three in your industry.

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COO

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CHRO

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