



AN INDUSTRY BRIEFING FROM GRAIL

What's Changing in Your Data Story

Your next €10M of capital. The number you sign. The thesis the dataset underneath your product can defend. Three questions that look separate, but are actually one. A briefing for CFOs at mid-market European vertical-software firms.

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FOR

European mid-market
vertical-software finance leaders

DATE

April 2026

Thursday morning, board pack due next Thursday

Every CFO at a mid-sized European vertical-software firm has had the same Thursday morning. Four things on the screen at 8:30. Q3 NRR printed at 102% against a 108% plan, the second consecutive quarter below, and three of your top-twenty accounts went quiet after a pitch from the a16z-backed entrant in your vertical. Your senior product engineer who carries the domain knowledge for your largest module gave notice eleven days ago, second recruiter approach this month. Your CTO wants €2.5M next quarter to rebuild the core module on a foundation-model architecture, and his one-page says "competitive AI rebuild." Your sponsor's partner forwarded a Bloomberg story yesterday about well-funded AI-native entrants in your segment, with a single line: "are we the Klarna of this vertical?"

You have signed fifteen forecasts for this board. The pattern used to be simple. The technical barrier was years of domain integration, the roadmap was incremental, the renewal book compounded. The business was understandable.

Something changed. A well-funded AI-native entrant reached feature parity in your vertical in eighteen months. Your top-ten customers are 30% of your ARR, and two of them are taking meetings with the entrant. Your AI capital is running through the CTO's roadmap as a rebuild line. Your Controllers are closing faster than they ever have, and the audit committee is asking about R&D capitalisation on AI features. The close is clean. The story underneath it is not.

The job has not changed in fifty years. The bar has risen on every measure of doing it, simultaneously, and the contradictions you have been navigating since you took the seat are suddenly re-openable. The CFOs who treat them as engineering problems run the offensive play. The ones who treat them as permanent trade-offs lose capital-allocation authority to the CTO within eighteen months.

This briefing covers what is happening in your sector, what it means for the finance function you run, and the three questions your team should answer before the next board pack.

The vertical-software moat just inverted under everyone at once

For a decade, your defensibility rested on three pillars. Deep domain knowledge encoded in the product. Long integration timelines that punished switching. Workflow embeddedness that customers did not want to unpick. AI collapsed two of them and is weakening the third. The technical barrier to building a competing product dropped by roughly eighty percent. Foundation models have ingested enough domain content that a well-funded AI-native entrant can reach feature parity in twelve to eighteen months instead of five years. Modern AI infrastructure slashes the integration complexity that used to anchor your customers. Every vertical has its version of the entrant. In construction, one AI-native firm raised a Series A targeting permit workflows and shipped capability in nine months that sat on your three-year roadmap.

What remains defensible is the accumulated understanding of the domain. Why the data model works this way. What the regulator actually enforces versus what they publish. What customers need but have never articulated. How the top-fifty accounts actually use the product when they think nobody is watching. That knowledge is the real moat. The code is replicable. The domain understanding is not replicable when it is institutional. The problem in most vertical-software firms is that the knowledge lives in the heads of the founding team and the first ten engineers, and those people are being approached by AI-native startups every week.

You have been sitting on the moat for ten years and counting it as an expense. The accumulated customer telemetry is the asset. The code is not.

The sector is repricing underneath everyone at the same time. Nordic vertical SaaS has the steepest version of this pattern. Only four percent of Nordic firms achieve strong AI returns, and forty to fifty percent of Nordic AI spend goes to generic productivity tools rather than to encoding the domain capability that would actually defend the vertical. The firms treating this as a feature-parity problem rather than a dataset-and-encoding problem are walking into a board conversation they will not win.

Your capital, your forecast, and your narrative are feeling it every day

Your capital allocation. Your CTO's €2.5M AI-rebuild request is sitting in the R&D line, routed through the same mechanism you use to sign off on engineering headcount and tooling. Framed as a roadmap request, it gets signed by default. Framed as the largest single capital-allocation decision you will make this decade, it deserves the same discipline you bring to M&A. The finance seats that ship this as a capital line to the board, with alternatives analysis against domain-knowledge encoding and AI-native tuck-in acquisition, keep the authorship for the next ten years. The ones that sign the requisition hand the authorship to the CTO by default.

Your forecast in the niche. The team built the annual plan on a 108% NRR assumption. The Q3 print came in at 102% because three top-twenty accounts went quiet after the AI-native entrant's pitch. Your Head of FP&A cannot reconstruct the account-level story because the churn signal lives in product usage data, the expansion signal lives in support tickets, and the competitive-evaluation signal lives in CS call recordings her team has never systematically read. Customer concentration in your vertical is a forecast-credibility problem long before it is a churn problem.

Your dataset as asset. The accumulated customer telemetry, support ticket history, renewal negotiation notes, and CS call recordings are a training-ready dataset you have been capitalising as SG&A for a decade. Every vertical-software CFO in your cohort has the same asset. Most of them are watching AI-native entrants build the equivalent from scratch at a fraction of the velocity, because the entrants do not have the data. The capital case is to turn the dataset into an intangible asset on the capital page, ROIC-measured against rebuild, encoding, and tuck-in alternatives.

Your controller and FP&A bench. The journal entries, reconciliations, standard variance decomposition, and first-draft board-pack generation that used to train a junior controller into a Senior Controller into a VP Finance are now running on agents. The Q1 headcount win is real. The 2031 succession bench is empty. The finance function that cuts the junior layer without rebuilding the entry pathway has a cheaper quarter this year and no internal CFO candidate in five.

Your economic thesis. Your board has asked for the strategy-day preview. Your sponsor's partner has asked about your defensibility against the AI-native entrant. Your chair has asked how the firm stays ahead of the vertical. Three audiences, three different documents, each drafted by a different team. None of them anchored in the same customer-intelligence data. The CFOs pulling ahead write the thesis once from the dataset and let the three audiences draw from the same architecture. The ones behind them are editing three decks and hoping the numbers match.

You do not have three scorecard problems. You have one.

Your sector is repricing from below because AI-native entrants can reach feature parity in eighteen months and your domain knowledge is personal rather than institutional. Your finance function is stretched because the capital-allocation authority, the NRR forecast credibility, and the dataset-as-moat thesis are each being managed as a separate programme, each drawing on a different data layer, each drafted by a different team. Same force, two altitudes. But there is a third thing happening that most mid-market vertical-software CFOs have not named yet, and it is the one that matters most.

Capital allocation without forecast credibility is guessing. Forecast credibility without a narrative is scorekeeping. A narrative without the customer-intelligence dataset underneath it is marketing. The finance seat that holds all three holds one integrated asset, not three separate programmes. Every capital-allocation question, every NRR forecast gap, every narrative weakness is a symptom of the same missing layer: the customer-intelligence infrastructure that feeds all three from the same data, the same governance, the same discipline.

This is the ERP decision of this decade. Every vertical-software CFO in your cohort is making it right now, whether they see it or not. The ones who personally owned the 1993-1998 ERP decision kept capital-allocation authority for the next twenty years. The ones who signed the IT requisition because "that was an IT decision" watched the CIO take a board seat and the next CFO hire come from outside. The shape is the same. The asset under decision is different. The cost of getting it wrong in 2026 is compressed into eighteen months instead of five years, because the AI-native entrant is already shipping.

The €2.5M your CTO wants for the rebuild is not a product-roadmap decision. It is the capital-allocation decision that determines whether this firm is the incumbent that encoded the moat, or the incumbent that signed the cheque and still lost the vertical.

You have twelve to eighteen months. The AI-native entrant cohort in your vertical is already funded. The CFOs who own this decision personally run the offensive play. The ones who do not become the CFO the board replaces when the successor walks in with a thesis.

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

Every vertical-software CFO has had the AI conversation. Most are making the same four decisions. A smaller group is making different ones. Default looks cleaner for three quarters. Winners compound from month fifteen.

THE DEFAULT PATH

Sign the rebuild requisition as an R&D line

CTO's €2.5M ships as roadmap. CIO owns AI-architecture decisions within eighteen months.

Treat the customer dataset as overhead

Telemetry, tickets, CS notes accumulate as SG&A. No training-ready asset. Entrant builds equivalent from scratch.

Hold the rate card, ship AI features free

Customer value rises thirty to sixty percent. ARPU flat. NRR drifts three to five points below plan.

Cut the controller layer for the Q1 win

Headcount down fifteen to twenty-five percent. Empty succession bench in 2031.

THE WINNERS' PATH

Route the rebuild through M&A discipline

Alternatives: domain-knowledge encoding, AI-native tuck-in, pricing migration. One capital page, four options.

Reframe the dataset as a strategic asset

Customer-intelligence environment. Feeds forecast, board pack, M&A diligence, strategy-day deck from one data layer.

Migrate to per-outcome on AI-augmented tiers

Per-permit, per-design, per-transaction pricing on AI features. Value converts to NRR expansion.

Redesign the junior pathway around judgment

New hires pair with agents on scenarios and capital-exposure work. Bench rebuilds faster than before.

The default path shows a cleaner Q1. The winners' path has visible friction for three quarters and compounds from month fifteen. The difference is whether the CFO is authoring the capital or administering it.

Capital Allocation. Forecast Credibility. Value-Creation Narrative.

Three questions every vertical-software CFO is tracking. The first is the crux. The other two are how you earn the right to answer it.

01 · CAPITAL ALLOCATION

Where does the next €10M actually compound?

AI-native product rebuild? Domain-knowledge encoding before the founding engineers leave? Tuck-in acquisition of an AI-native entrant in your vertical? Pricing-migration investment? Working-capital extension? Today's default: the CTO asks, the R&D budget funds, the requisition gets signed, and the capital-allocation authority slides away from the seat. The question is not which product decision. The question is whose capital decision this is.

02 · FORECAST CREDIBILITY

Why did the number print below plan, and what is the top-twenty-customer story?

Your board voted on 108% NRR. Your firm is printing 102%. Your Head of FP&A cannot walk the audit committee through the account-level story because the churn signal sits in product usage, the expansion signal sits in support tickets, and the competitive-evaluation signal sits in CS call recordings nobody reads. Three scenarios used to take a week. They now run in an afternoon. The bar on what credible means has risen.

03 · VALUE-CREATION NARRATIVE

What does this firm do that compounds faster than peers?

Your board wants the strategy-day preview. Your sponsor wants the defensibility note on the AI-native entrant. Your chair wants the how-we-stay-ahead answer. Three audiences, three documents, three teams, and the numbers do not match. The CFOs pulling ahead write the thesis once off the customer-intelligence dataset and refresh it continuously. The three audiences read excerpts of the same document.

What the firms winning this play are actually doing

Four concrete moves any vertical-software CFO can start this quarter. Each addresses one lever. Pulled together, they become one customer-intelligence asset the firm runs on.

1

Capital: route the AI-rebuild decision through the M&A hurdle, not the R&D requisition

Your CTO's €2.5M request is a capital-allocation decision. Treat it like one. Present the alternatives on one page: AI-native rebuild, domain-knowledge encoding programme, tuck-in acquisition of an AI-native entrant in your vertical, pricing-migration investment, working-capital extension. ROIC-scored against the same five-year horizon you use for M&A. Name what you are choosing not to fund to protect the thing you are funding.

2

Forecast: rebuild NRR around top-twenty customer concentration, not aggregate cohorts

Your NRR model should draw from live product usage, support ticket signals, CS call-recording analysis on the top twenty, and renewal-pipeline telemetry, as one live view rather than five spreadsheets. Three scenarios compress from a week to an afternoon. Below-plan quarters produce the account-level story in the same board meeting, not in the post-mortem. The concentration math forces the point.

3

Pricing: migrate from per-seat to per-outcome on AI-augmented tiers

Per-permit-processed for permitting platforms. Per-design-generated for construction design tools. Per-transaction for logistics. Per-shift-scheduled for healthcare ops. The per-seat flat rate holds the base. The per-outcome mechanic on AI features converts the thirty to sixty percent customer-value uplift into NRR expansion on the accounts where the AI-native entrant is already quoting. Finance authors the migration. Product builds against it.

4

Narrative: write the dataset-as-moat thesis once, refresh continuously

Three sentences on one page. What does this firm do that compounds faster than peers? What capital gets starved to protect it? What gets fed? Refresh continuously off the customer-intelligence data layer that feeds the forecast. Sponsor-monthly excerpts the thesis. Audit-committee prep excerpts it. Strategy-day deck excerpts it. Three audiences, one artefact, four registers.

The only firm that joins capital authorship to working infrastructure

The vertical-software CFO has four places to go. None can do what we do.

The big finance transformation practices carry an audit-arm conflict on R&D-capitalisation advice for software IP, and their billable-day model requires selling substrate that agents commoditise. They ship a tighter close, not authorship of the moat.

The vertical-SaaS finance-tech vendors will sell platform licences and a long implementation. Your customer-intelligence moat has to sit on firm-owned infrastructure or it becomes a vendor asset at renegotiation. The CFO who builds the dataset on a vendor stack builds it for the vendor.

The FP&A and planning specialists will sell a point solution for one layer: scenarios, close-acceleration, reporting. None can run the rebuild-versus-encode-versus-buy capital conversation the seat requires.

The AI-native finance-agent startups will sell substrate tooling where depreciation is steepest. Buying them does not address who authors the capital-allocation decision. A cleaner close, the same authorship gap.

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

WHAT YOU GET

Senior advisory that speaks board-room, not deck-room

Working infrastructure your team uses the same week

Custom agents built on your book, your telemetry, your data

The start of a customer-intelligence layer your FP&A owns

No vendor lock-in at any phase of the engagement

WHY IT MATTERS

Founded by operators who have carried CFO-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 finance leadership. Working infrastructure from week one.

We start with your finance 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 vertical and inside your finance function. Build the first piece of infrastructure in the room: a live driver agent on your real NRR model, running against your real top-twenty customer telemetry, support ticket data, and CS call recordings. Your leadership team leaves with a shared view of what to do next and the first piece of working infrastructure already in their hands.

WORKSHOP 02

Your finance infrastructure

A half-day build. Your Controller, Head of FP&A, Treasurer, and Head of IR each leave with five to ten pieces of working infrastructure tuned to their function. Close-cycle agents. Continuous scenario generation. Covenant-monitoring intelligence. Board-pack narrative drafting. Infrastructure your team uses the same week, not decks about infrastructure.

WORKSHOP 03

Ready to run

Refined infrastructure based on real use. The rollout plan to the wider finance organisation. The capital-allocation-thesis document for the next board meeting. The pricing-migration roadmap for the product team. And the CEO and sponsor conversation with numbers they can check: ROIC alternatives, scenario ranges, moat measurement.

Three weeks. No IT project. No board approval needed to start. The infrastructure your finance function is already running on when we finish.

For your next forecast review

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

Your CTO wants €2.5M for an AI rebuild. Is it on the R&D line as a roadmap request, or on the capital page as one option among four? If the former, what would it take to move it before the next board cycle?

Your top-ten customers carry twenty-five to thirty-five percent of ARR. Can your team name which three are currently taking meetings with an AI-native entrant in your vertical? If not, what data layer is missing?

Your firm has accumulated ten years of customer telemetry, support tickets, and CS call recordings. Is that a training-ready dataset on the capital page, or overhead on the SG&A line? What would it take to reframe?

Your AI-native competitors are quoting on per-outcome pricing. You are on per-seat. What is the twelve-month plan to migrate the AI-augmented tier, and who on your team is authoring it?

Of the junior controllers and FP&A analysts you are cutting to agents this year, how many would have been your 2031 succession bench? What are you doing instead to build that bench?

If any of these produces a disagreement in your finance leadership, that is the conversation worth having before the board asks.

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