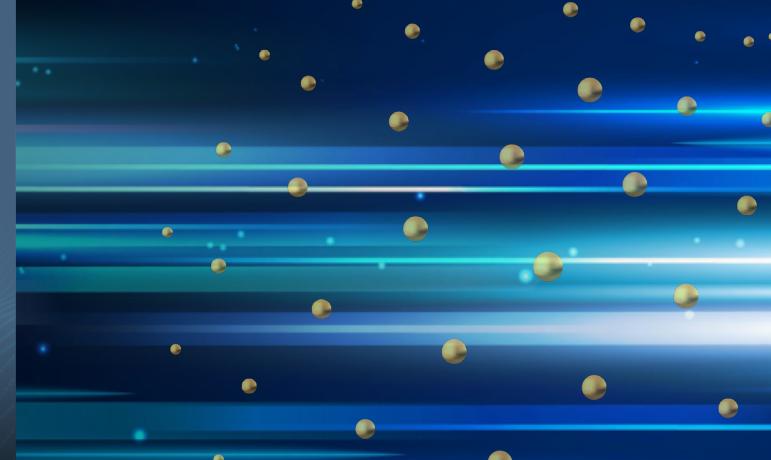


Rewiring Finance: Intelligence, Connectivity, and Velocity in the Age of Transformation



From Systems of Record to Systems of Intelligence (Part 1)

The financial industry is undergoing a profound transformation, and to support such transformation there is a need to transform the current technology infrastructure from relying on static systems of record to dynamic systems of **intelligence, interoperability, and analytics support**. This three-part series explores how financial infrastructure is transitioning from traditional models built to record transactions to architectures designed to reason, connect, and operate at speed. By examining current capabilities and emerging opportunities, we aim to provide actionable insights into how firms can adapt their systems to unlock new strategic opportunities, enhance operational efficiency, and gain a competitive edge in an increasingly interconnected and fast-paced financial environment.

From Record to Intelligence

The shift “from systems of record to systems of intelligence” is the critical first step in revolutionizing financial infrastructure. Systems were built to produce compliant and auditable transactions. They achieved extraordinary precision - but limited adaptability. Over time, each system became a fortress of control, protecting data rather than enabling insight customized to client needs.

Those closed systems are now strained by data complexity and client expectations. Trading desks, risk managers, product managers and regulators all want **real-time, predictive, and context-aware intelligence**. Firms no longer compete on the accuracy of their ledgers but on the intelligence of their infrastructure.

What matters now is not what you have booked and what clients you have - but what your systems can learn from what you have booked and how your infrastructure helps clients achieve their objectives. By transforming static records into dynamic intelligence, firms can move from reactive operations to proactive decision-making, turning their infrastructure into a competitive advantage.

The New Architecture: Intelligence as a Layer

Recent industry discussions indicate that 20% of companies cite the lack of human capital and 13% cite insufficient technology infrastructure as the blockers preventing them from building and implementing generative AI use cases.¹

Fortunately, the emerging model is not a full rip-and-replace, but a layered evolution. Intelligent infrastructure adds reasoning capabilities around legacy cores, enabling faster adoption of AI tailored solutions.



AI-driven data fabrics unify data across silos, enabling consistent lineage and entity resolution



Graph databases map relationships - across trades, clients, and exposures - that were invisible in relational tables



Streaming analytics deliver insight at the moment of decision rather than end-of-day



Leveraging an AI Intelligence Layer streamlines AI adoption; transforming monolithic, linear processes into AI-enabled ecosystems to deliver cross-platform insights

This progression creates what could be called data liquidity: information that flows across the enterprise as freely as capital once did across markets. Treasury systems can query credit exposures in real time; operations teams can reconcile breaks automatically; AI models can flag liquidity stress before a human analyst notices.

The Governance Imperative

Recent survey data indicates that 34% of adults are more concerned than excited about the increased use of AI,² highlighting the critical need for trust in transforming data into actionable intelligence. To build this trust, intelligent systems must explain their conclusions and meet rigorous regulatory standards.

That requires:



Firms that succeed will operate with unparalleled clarity, where every transaction, exposure, and exception is not only recorded but fully understood.

The Strategic Opportunity

Despite significant technology investments compared to other industries, U.S. banks have experienced a decline in productivity, averaging 0.3% annually since 2010.³ This trend highlights inefficiencies in existing systems and technology/data strategies, emphasizing the urgent need for a transformative shift.

Such a shift involves redefining the operating framework, empowering financial institutions to address growth, risk, and innovation with unmatched agility and intelligence. By focusing on systems of intelligence and interoperability, firms can unlock the full power of their data, driving strategic outcomes, enhancing operational efficiency, and gaining a competitive edge in a rapidly changing financial landscape.

By embracing this shift, financial institutions can achieve the following critical improvements across their operations and strategies:



Achieving this transformation does not require a complete system overhaul or disruption of existing processes. Instead, it is about seamlessly integrating new capabilities into current operations to enable smarter decision-making, dynamic risk management, and operational excellence without compromising continuity or requiring large-scale investments.

¹ Kronz, Austin. "Data Governance Is A Top Priority For 65% Of Data Leaders." Humans of Data, March 28, 2024. Available at: <https://humansofdata.atlan.com/2024/03/future-of-data-analytics-2024/>.

² Jacob Poushter, Moira Fagan, and Manolo Corichi. "How People Around the World View AI." Pew Research Center, October 15, 2025. Available at: <https://www.pewresearch.org/global/2025/10/15/how-people-around-the-world-view-ai/>.

³ Evans, David. "Financial Institutions Need to Get Serious About Their Productivity." The Financial Brand, April 16, 2025. Available at: <https://thefinancialbrand.com/news/bank-culture/as-threats-and-costs-multiply-its-time-for-banks-to-finally-get-serious-about-productivity-188454/>.

At Alvarez & Marsal, we specialize in transforming challenges into opportunities for growth and innovation. Whether it is addressing poor integration, clarifying business use cases, optimizing the data lifecycle or advancing regulatory clarity, our team brings deep expertise in building intelligent, interconnected systems that deliver real-time insights and measurable ROI alongside existing infrastructure. By leveraging cutting-edge technologies like AI-driven data fabrics, graph databases, and streaming analytics, we help financial institutions unlock the full power of their data, empowering proactive decision-making, dynamic risk management, operational efficiency, and regulatory confidence. In today's fast-paced financial landscape, we enable firms to achieve a competitive edge while navigating complexity with clarity and precision. When you are ready to transform your data into a strategic advantage, we are here to help.

About A&M

Alvarez & Marsal's Financial Services Financial Markets Infrastructure practice delivers operational and technology-driven solutions to address the evolving needs of financial markets participants. We specialize in optimizing business models, driving digital transformation, and navigating complex regulatory landscapes to enhance performance and enable growth. Our core services include:

Technology Enablement

Modernize operations with AI, blockchain, and digital platforms to enhance efficiency, transparency, and customer service through tailored digital transformation.

AI and Advanced Analytics

Leverage AI and advanced analytics to improve decision-making, operational performance, and unlock new revenue opportunities.

Digital Assets and DLT

Adopt blockchain and digital assets to streamline operations, with expertise in regulatory and operational standup, tokenization, DeFi strategies, and regulatory compliance.

Regulatory Compliance

Provide tailored compliance frameworks and solutions to meet evolving global and regional regulatory standards.

Risk Management

Assess and mitigate risks across credit, market, liquidity, and operations with strategies to enhance resilience and performance.

Target Operating Model Design and Execution

Develop and implement scalable operating models to optimize performance and align with strategic goals.

M&A Support and Inorganic Growth Strategies

Support mergers, acquisitions, and partnerships with diligence, integration, and value creation planning to drive growth.

Customer Experience and Service Enhancement

Redesign customer journeys and enhance service delivery with digital tools to improve satisfaction and retention.

Revenue Generation and Go-to-Market

Identify growth opportunities and execute go-to-market strategies to drive revenue and long-term success.

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