

GenTwo Research Identifies "Product Shelf Syndrome" as Silent Crisis Threatening Mid-Tier Asset Management Firms

New white paper reveals structural ailment creating margin erosion and brand dilution; offers detailed Assetization playbook as antidote.

ZURICH, SWITZERLAND, August 12, 2025 /EINPresswire.com/ -- GenTwo AG, a Swiss B2B Fintech revolutionizing financial product creation by enabling financial professionals to design and launch investment solutions with unprecedented ease, speed, and flexibility, today released its inaugural research white paper.



GenTwo Research's new white paper discusses how asset managers can use Assetization to differentiate, and why they need to.

The in-depth paper, titled "Product Shelf Syndrome: The Silent Crisis Threatening Mid-Tier Asset Management Firms – And What They Can Do About It," identifies a silent crisis affecting the mid-tier of the asset management industry stemming from the practice of asset managers populating client portfolios with third-party "shelf" products rather than developing their own investment solutions.

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Shelf syndrome is a slow-motion crisis that many asset management firms don't fully recognize yet.”

Tom Lyons

The white paper is free to download [from the GenTwo website](#).

The Diagnosis

According to the research, industry trends initially made

this approach seem rational, including the proliferation of low-cost funds and open-architecture approaches. However, these well-intentioned shifts created unintended consequences forming a vicious cycle:

- fee compression as passive investing grew,

- alpha erosion with most active funds underperforming benchmarks,
- portfolio indistinguishability as firms use identical products,
- brand dilution where clients see fund house names instead of the manager's,
- and strategic irrelevance where price becomes the only differentiator.

Strategic Recognition

The report documents a growing awakening among managers who recognize their traditional approach is untenable. Client demand is driving this change, with rising demand for specialized solutions including access to private markets, thematic investing, ESG overlays, and direct indexing, combined with technology enabling customization at scale.

Barriers to Change

Despite recognition of the problem, the research reveals why breaking free remains difficult. Firms face high launch costs requiring tens of thousands of dollars to register products and hundreds of thousands annually to operate, legal and regulatory complexity that stretches launches for months, internal culture and structural inertia at firms built as allocators rather than manufacturers, and traditional structuring mechanisms that impose minimum sizes and slow feedback loops.

Cost of Inaction

The white paper quantifies the real price of maintaining the status quo through shrinking margins and profitability as firms have limited pricing power, face client churn and lifetime value loss particularly among fee-conscious younger investors, endure AUM stagnation as 70% of net flows go to passive products, and deal with lower firm valuations as shelf-bound firms resemble commodity distributors rather than intellectual property creators.

Market Transformation

Research data confirms the industry's decisive shift toward customization, with 80% of managers believing mass customization will be important, explosive growth in personalized vehicles including SMAs up 84% since 2010, rising thematic and ESG demand with 78% expecting sustainable investing to grow, private markets expansion as over 60% of institutional investors increase allocations while product innovation makes alternatives accessible to wealth clients, and co-creation preferences with 61% of asset owners wanting to build bespoke products with managers.

Strategic Solutions

The report maps five strategic alternatives for reclaiming product control:

- off-balance-sheet SPVs that package strategies into investible notes without regulatory capital requirements,
- white-label fund platforms for launching branded products quickly through existing infrastructure,
- strategic partnerships to leverage others' distribution and modular issuance capabilities,
- fast-cycle productization using agile methodologies to test ideas quickly,
- and hybrid approaches combining proprietary products where firms have expertise with third-party solutions for commoditized exposures.

Implementation Playbook

GenTwo's research provides a comprehensive playbook including conducting "Shelf vs. Self" audits to quantify revenue passed to third parties, identifying "Assetization sweet spots" where firms have expertise or client demand, leveraging partnerships for quick wins using platforms for first proprietary products, establishing product innovation frameworks with executive support, gradually rebalancing portfolios starting with satellite allocations while building track records, enhancing transparency to communicate the value of bespoke offerings, fostering internal culture that treats strategies as franchise assets, and reframing external identity to position firms as solution creators rather than just advisors.

The complete white paper is available for free download at www.gentwo.com/shelf_syndrome_white_paper/.

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