

September 2015

The . Insights Review

Financial Services Edition

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I C G



Featuring:

- General Strategic Interest
- Retail & Business Banking
- Fintech Disruption & Innovation
- Payments
- Corporate & Investment Banking

- Life Insurance
- Strategy & Transformation
- Corporate Finance / M&A
- Corporate Governance
- Diversity

- Marketing & Customer Experience
- Technology
- Operations & Change

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About this Report

The Insights Review – Financial Services Edition by ICG presents timely abstract reviews of the most relevant ‘open published’ perspectives and research reports from the world’s leading branded management consulting firms.

This publication ensures that executives and consultants are exposed to the widest range of high quality ideas, techniques and methodologies developed across the management consulting industry globally.

Relevant insights are identified and classified once only, either in a general category, or by topic alignment to an industry segment or a functional area using our proprietary taxonomy.

Access to Full Reports

If you find an insight review of interest and wish to access the full report, simply follow the link beneath the title. Where possible, this will take you to the full report. Occasionally, the publisher may require the user to complete a registration or payment process prior to accessing the report.

Links are current at time of publication.

Insight Sources

ICG sources candidate insights for review from the best and most relevant material published openly by (at least) the following branded consulting firms:

- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte, Touche & Tohmatsu
- Ernst & Young
- FMCG
- IBM
- KPMG
- McKinsey & Company
- Oliver Wyman
- Promontory
- PwC
- Roland Berger
- Strategy&

A Message From the Editor

Welcome to another great edition of ICG's *The Insights Review* – as one of our CEO clients recently observed, his “favourite read of the month”. Was it that we saved him time? Was it concentrated learning and insight? Was it the pithy and frank reviews? Or was it our interactive drill-down format? Perhaps it was all four.

Whatever the source of his praise, I am sure you will save time and learn faster when reading *The Insights Review*. If you'd like to share it with others, please on forward and suggest your colleagues or friends subscribe or get added to our complimentary version mailing list.

This month, PwC shines with our ‘Article of the Month’ – essential scanning.

- PwC – “Global Financial Markets Liquidity Study”

Other noteworthy articles include:

- AT Kearney – “Digital Lean: The Next Stage in Operations Optimization”;
- BCG – “Winning Moves in the Age of Shareholder Activism”;
- KPMG – “Women’s Leadership Study”;
- McKinsey – “Divestitures: How to Invest for Success”;
- PwC – “All Aboard: Delivering the Onboarding Experience Customers Demand”;
- PwC – “Money is No Object: Understanding the Evolving Cryptocurrency Market”;

Enjoy the reviews – and the time saved – and as always, please feel free to contact me with any feedback you have about the publication.

David Moloney
Global Editor

GENERAL STRATEGIC INTEREST

“Cleared for Takeoff: Five Megatrends that will Change Financial Services” – Deloitte

[View PDF \(16 Pages\)](#)

Trend articles are as common as their insights appear once you have read them. The challenge is recognizing that their value is in reinforcing what matters. Here, Deloitte does a very credible job (with the WEF) synthesizing five megatrends which are not especially memorable nor MECE (Mutually Exclusive, Collectively Exhaustive) but do help inculcate the internal consultant’s sense of what is more important.

If there is a common theme (which Deloitte doesn’t mention) it is platformization and customer engagement through technology.

“Global Banking Outlook 2015” – EY

[View PDF \(40 Pages\)](#)

With some similarities to last year’s outlook, this report identifies megatrends too: demand shifts, digital, customer changes, and staff changes. These trends – along with stakeholder pressures – conveniently drive five transformation imperatives which are then broken down into areas for focus. For example: for demand shifts, internal consultants are reminded of the opportunities in emerging markets, innovation, infrastructure, and intermediary distribution JVs and so on.

A transformation lens can work well but can also be ambitious. When the content in sections titled “New operating model and new structure” barely and idiosyncratically cover two pages, you get a sense that the ambition this year was perhaps too high. As the report tries to reinforce the new catch-cry of ‘New Mediocre’, we hope that this is not the case and next year’s report gets us out of the insight doldrums.

“Banking in Asia-Pacific: Size Matters & Digital Drives Competition” – EY

[View PDF \(44 Pages\)](#)

An article that is broad in its insights and its application. The Asia Pacific Sector has significantly outperformed since the GFC, giving them more strategic options – such as regional expansion and mobile banking for large populations of under-banked customers. While the structure wanders, we suspect due to valuable bottom up nuggets being woven together into a story line, the content has some rich veins for TIR readers.

There are many highlights for those internal consultants prepared to do some “panning”, and they include: WeBank (the fascinating case study of China’s social media giant getting a banking licence), some deeper than expected insights on SME banking models, and some one -age country summaries for those internal consultants seeking off-the-shelf data.

“Back to Basics: Creating Value through Superior Products” – McKinsey

[View PDF \(4 Pages\)](#)

A concise article explores some of the levers used by private equity firms to accelerate value creation across product development and management.

The article separately explores each stage across the product delivery value chain, and suggests techniques employed by private equity managers to optimize value across each.

“Back to basics” characterizes the tone and demeanor of the article, and also the approaches laid out. The common themes are rationalization, optimization and innovation – all conducted unsentimentally and with a laser-like focus. While broad in its industry focus – case studies straddle manufacturing, chemicals, automobiles and food – these themes will certainly resonate strongly with Product executives across financial services.

“Banking Customer 2020: Rising Expectations Point to the Everyday Bank” – Accenture

[View PDF \(12 Pages\)](#)

The latest survey from Accenture’s Everyday Bank series presents a snappy set of insights on consumer expectations of their banking experiences – and will provide relevant fodder for those bankers and consultants looking to influence their organizations towards greater digital focus.

The overall trend is towards ever-heightening levels of digital savvy across consumers leading to heightened expectations around digital services. Almost all customers use digital channels for certain activities and fully 20% of customers are exclusively digital.

The trend away towards reduced loyalty is familiar, with the survey highlighting that first contact resolution is a large source of frustration, and also the key to customer retention.

“Perfect Storm Drives Investment Banks to Add Fintech Innovation to their Business Models” **– KPMG**

[View PDF \(50 Pages\)](#)

A generic introduction to the opportunities and challenges “fintech” poses for investment banks, and reaching outside the walls of the institution to collaborate with innovators. If you think you know about fintech in capital markets, then your time is better spent reading something else. KPMG uses a fairly broad definition of ‘fintech’ in this article, broader than the disruptive business models most people associate with the term. The most interesting part is probably the list on page 4 of six random examples of “fintech” players doing things in capital markets, trading, and investment. However, any investment banker or broker reading these and experiencing an “aha” moment should worry, because none of these are particularly new or unique.

“Collaborative Innovation: Transforming Business, Driving Growth” – AT Kearney

[View PDF \(44 Pages\)](#)

An output from a working group of many contributors at the World Economic Forum. It is quite long and aimed at policymakers and government types, particularly in Europe, who are keen to find ways to encourage an infusion of innovation from young companies into large established ones; likewise for young firms to collaborate with large firms to leverage their capabilities and improve their chance of success.

Read for general interest only. For data, turn to the appendix for a table of short case studies of ways some established firms and young firms have approached “collaborative innovation”.

PAYMENTS

“Global Mobile Banking Report 2015” – KPMG

[View PDF \(8 Pages\)](#)

The link above takes you to the KPMG landing page for this report, which includes data insights from the UBS Evidence Lab. The highlights report provides a brief summary and precious few actual data insights, but the main report is much better, offering a comprehensive view of mobile banking developments across a range of major markets.

Internal consultants will find several useful graphics and charts gathered from both primary research and a range of other sources.

“Money is No Object: Understanding the Evolving Cryptocurrency Market” – PwC

[View PDF \(17 Pages\)](#)

A potentially useful read for anyone wanting to supplement their knowledge about emerging crypto currencies and perhaps more importantly underlying block chain technology. Unfortunately, the article neither explains for the absolute layman what crypto currencies are, nor does it provide any real depth as to how block chain technology can be exploited. However, the snippets of information, especially surrounding the emerging regulatory response to crypto currency (mainly from a U.S perspective) do make for some interesting reading.

“A Time of Transition: Wholesale Banking in a New Era” – EY

[View PDF \(8 Pages\)](#)

An advert for EY dressed up as an article, but with no new insights. Of potential interest to those who are new to the challenges that wholesale banking is facing – see table on page 1. Enough said.

“Global Financial Markets Liquidity Study” – PwC

[View PDF \(156 Pages\)](#)

Water is critical to life – after 4-5 days without it, you will die. Your reviewer contends that liquidity – please excuse the pun – is as important to our financial markets and by extension, economy, today. If you are reading this, then you should at least scan the executive summary of the comprehensive, academically-styled report by PwC, as this matters to you.

Whether you are a senior policy setter or a junior financial services practitioner, you will find value and insight in this document. It is likely that the former will find more of pertinence in the chapters on the Drivers of future financial markets liquidity (chapter 5) and Policy considerations (chapter 6), while the latter will do so in chapter 2, entitled ‘What is liquidity?’.

An extract from the report’s synopsis underlines the importance of your attention to this topic: “Thus, the study concludes that current and future market liquidity is a subject of concern for market participants. It further finds that there are grounds for a review of the calibration of the reforms to date and the ongoing regulatory agenda, in order to properly understand and consider the effects of regulatory initiatives on market liquidity by asset class, and to consider whether upcoming regulatory initiatives could likely exacerbate the trends in liquidity.”

Article of the Month

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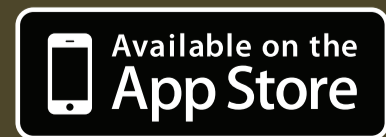
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The Insights Review Financial Services Edition

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LIFE INSURANCE

“2014 Embedded Value Results – Europe: Generating Value” – Milliman

[View PDF \(28 Pages\)](#)

To all but the actuaries, the thought of reading 28 pages on embedded value calculations may seem at best daunting. Whilst at first glance this does read as a somewhat technical and European-focused article outlining the key economic and regulatory drivers, methodologies and EEV outcomes for 16 companies, it develops into a very readable overview of each of the main components of EEV and ‘hot topics’ for consideration.

If you are involved in the core financials of a business using EEV, this will appeal; if on the periphery, McMillian do a good job of providing a nice simple overview of the core terms and how they build to EEV.

McMillian also consider the methodologies/assumptions used at a company level and the core drivers of growth for those that have outperformed. In the final section of the paper, they also consider the application of other valuation methodologies.

Worthwhile reading after all.

“A Strategy for Thriving in Uncertainty” – Bain

[View PDF \(8 Pages\)](#)

Having read both the article and the Bain brief, we can say that the “new new” here (on a very, very well-trodden topic) consists of three items:

- The very witty idea of avoiding your own “Kodak Moment” (i.e. being disrupted to death despite your best efforts);
- A designed to be scarier map (Figure 1) of potential sources of uncertainty;
- Three apparent Bain client case studies (GE India, Aurizon Australia, and Macy’s US).

The rest would get you a solid result in a strategy MBA course; so if you got a credit or more in strategy, skip the insight.

“Experimental Learning: What’s Missing in Most Change Programs” – McKinsey

[View PDF \(7 Pages\)](#)

This article at best acts as a reminder of the varied benefits of experiential learning programs, but quickly falls of a cliff into advertorial for McKinsey’s training team.

“2015 ECS Value Creators Report: Opportunities amid Uncertainty” – BCG

[View PDF \(36 Pages\)](#)

A sector specific piece from BCG’s total shareholder return (TSR) value creators annual series of reports and league tables. The overview report was reviewed in last month’s edition of The Insights Review. This sector-specific one focuses on the varied performance and behavior of large firms in the world’s Engineering, Construction, and Services (ECS) industry (for example, how low energy prices are encouraging some firms to look to M&A as a means to diversify away from dependency on oil and gas projects). It also looks at how performance varies for firms from different regions, and the levers top firms are using to improve TSR, such as selecting projects for margin rather than volume.

This is a well-written collection of several articles with lots of data and insightful analysis. If ECS is your industry, or if you’re invested in it, then this article is worth reading – or at the very least, we recommend you examine the soild 4-page summary.

“Divestitures: How to Invest for Success” – McKinsey

[View PDF \(6 Pages\)](#)

A short, interesting article based on the observation that – just as with reverse case of M&A – there are firms who use divestments to outperform the index, but there are many who make divestments and underperform. The rest of the article summarizes sensible practices for would-be divestors to follow if they want to be in the former rather than the latter category. Hint: fire sales bad; planning and preparing business units for possible future sale good. The article also suggests that active portfolio managers, firms that both acquire and divest, do best.

Worth an investment in the six-page read.

“Winning Moves in the Age of Shareholder Activism” – BCG

[View PDF \(16 Pages\)](#)

Shareholder activists, once considered a fringe element, have become a loud, powerful voice with which leaders of companies both large and small must reckon. Activists target bigger firms than before, and they wield their influence over businesses more forcefully than in the past. While corporations may view them as a headache, shareholder activists can push firms toward more rational portfolios, better honed strategies, and higher share values.

Recommended reading for professionals to senior managers and boards of directors, all of whom should take its smart advice seriously – before activists pounce.

DIVERSITY

“Women’s Leadership Study” **– KPMG**

[View PDF \(23 Pages\)](#)

The KPMG Women’s Leadership Study reports a commissioned study by an independent consulting firm into factors that move women forward into leadership roles. Undertaking the study reflects KPMG’s commitment to diversity and inclusion.

Through an online survey of 3,000 professional and college women, the study concludes that 2 main elements affect a woman’s ability to lead: confidence and connections.

On the surface, we are provided with a quantitative analysis. However, as we read the statistics, we are left wanting to know more. For example, we don’t get a clear discussion about exactly how to build confidence. The key question – “How do we build women’s confidence?” – is not adequately answered. Confidence may better be defined as perspective-taking, hard work, and self-efficacy.

The second issue of connections also needs to be defined more precisely. Again, the key question – “What sort of connections?” – needs to be explored in detail. Do the authors really mean “connections that matter?” Two kinds of connections that matter to women at work are strategic and serendipitous connections. These could be explored further.

As a foundation, the study contributes to the dense narrative around women’s leadership. There is so much value in hearing women speak... in hearing people speak. KPMG will benefit from exploring more precisely the two elements: confidence and connections.

“Transforming a Company by Learning to Love Customers” – Bain

[View PDF \(12 Pages\)](#)

Bain & Co present the Net Promoter System at the core of five principles for a customer-centric transformation, using an insightful case study detailing Telstra’s journey in restoring customer trust and advocacy.

By leveraging systematic loops of customer feedback to better understand the experiences customers truly value, Telstra’s case serves as a useful reminder that the successful embedding of customer advocacy must be championed at each level of management. This is highlighted in Figures 2 and 3 (pages 4 and 6 respectively).

This look inside Telstra’s journey reflects how a customer-centric transformation can deliver both a better experience for customers and outstanding returns for shareholders. Telstra’s experience with each of the five principles holds practical lessons for any organization aspiring to become truly devoted to its customers.

“All Aboard: Delivering the Onboarding Experience Customers Demand” – PwC

[View PDF \(31 Pages\)](#)

PwC advocates that competitive advantages await financial institutions providing a streamlined and personalized customer onboarding experience. While lengthy, the article contains useful segments for those unfamiliar with the potential opportunities within the onboarding phase of the end-to-end customer experience.

Valuable segments of the article can be found on page 4 (Figure 1), which clearly defines customer onboarding, along with one-page summaries (pages 21-28) detailing each of the leading practices of PwC’s framework for implementing an effective onboarding experience for financial institutions. Each page highlights the key considerations, recommendations, and a snapshot of the ideal future state once such practices have been embedded throughout an organization.

As customer-centricity becomes an increasingly relevant agenda for financial institutions, this article provides valuable insights into the understated role of customer onboarding by considering customer and organizational perspectives through well-structured chapter segments, digestible infographics, and insightful statistics.

TECHNOLOGY

“Embracing the Digital Era” – KPMG

[View PDF \(12 Pages\)](#)

This reads like an approach an accounting firm would prescribe for digital. According to KPMG, a vision plus structured approach and experimentation will help to you embrace the Digital Era.

For this reviewer, a structured approach and experimentation is all about ‘digital process’. While KPMG have mentioned ‘vision’, the secret sauce has to be mindset. When an organization adopts a digital mindset, then there is a real opportunity to really move the ball forward.

“An Executive’s Guide to the Internet of Things” – McKinsey

[View PDF \(9 Pages\)](#)

A good read if you believe in predictions of the future. For instance, there will be a \$1.3 Trillion productivity gain (from Internet of Things) using data that makes factories more productive.

One key takeaway is that manufacturing intensive countries have the most to gain from IOT – that thus counts out the real value for many that may be considering reading this article.

The paper is quite sound in its arguments, however your reviewer just struggles to ignore how flawed such forecasts can be.

“Two Ways to Modernize IT Systems for the Digital Era” – McKinsey

[View PDF \(7 Pages\)](#)

As you read this, it may feel like you've already read the story and know the ending. McKinsey talk about how to make the move from old legacy systems.

A Greenfield is broader transformation that costs more and has a need for senior management commitment. The 2-speed approach is more measured and iterative.

When committed to a 2-speed approach, the trick is a consistency of Enterprise Architecture.

Worth a read, no major surprises, but good brain food when thinking about two pathways to tackle IT Transformation.

OPERATIONS & CHANGE

“Digital Lean: The Next Stage in Operations Optimization” **– AT Kearney**

[View PDF \(9 Pages\)](#)

The article provides a helpful shopping list of concepts and technologies impacting manufacturing as part of the overall digitisation of business models, and key categories of value potential. The authors are quite unkind to “traditional lean” approaches, suggesting they are applied in isolation to the broader supply chain of a factory or production system. They also seem to suggest techniques such as dynamic simulation of manufacturing and service operations are new, while in fact they are decades old.

The real value in the article is to remind organizations that digitally-conversant team members as well as lean practitioners and system-thinkers are required to take advantage of new technologies, including IoT capabilities, to drive optimization. Internal consultants are often called upon to provide these capabilities and will therefore benefit from a quick read.

“The Return of Zero-base Budgeting” – McKinsey

[View PDF \(4 Pages\)](#)

This article provides a high level review of the ZBB technique, and provides some guidance into how and when to apply it. The observation that ZBB is more frequently being cited as part of companies’ turnaround management and its favour by private equity owners is unsurprising – ZBB helps new owners and their managers interrogate the business managers and the cost structure in a way that unseats conventional wisdom and forces a quantitative discussion. The article is a good reminder of the ZBB practice, with some hints about the costs and implications of its use.

“Scaling Agile at Financial Institutions: Lessons from the Trenches” – Deloitte

[View PDF \(16 Pages\)](#)

This useful article discusses how large financial institutions can harness agile development methods to accelerate test and implementation of new systems and features, in order to counter the attack of thin-line disruptors. The techniques described amount to governance and coordination through additional organization layers and meetings. The granularity of the prescription is helpful, while the proof points of whether the medicine is effective in countering competition are lacking.

The article will interest CIOs and DevOps managers, and provide some consolation to CEOs and CFOs that the race may yet be winnable.

Reviews of the World's Leading Financial Services Industry Insights

The Insights Review

Financial Services Edition

SPECIAL FEATURE

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The Best Insights from the Past 12 Months

AUGUST 2015

“Technology Vision for Insurance 2015. Digital Insurance Era: Stretch Your Boundaries”
– Accenture

[View PDF \(9 Pages\)](#)

Like the preceding Bain article, this 40-page report is another must-read for executives and internal consultants alike.

This is the best view your review has seen of the interlocking pieces currently seen as ‘digital’ in insurance.

- The article talks to five key themes:
- The internet of me;
- Outcome economy;
- The Platform (R)evolution;
- The Intelligent Enterprise;
- Workforce Reimagined.

The themes are all well-developed at the strategic level. Detailed views on short- and medium-term plans to embrace and deliver are then set out in a well-ordered and challenging way.

Supporting all of the above are insightful case studies, examples, and compelling research findings showing how much traction is already being made by the companies that ‘get it’ in the insurance world, moving from ‘me’ to ‘we’.

A compelling piece from the well-established technology laboratories within Accenture.

JULY 2015

“Fixing the Insurance Industry: How Big Data can Transform Customer Satisfaction”
– Capgemini

[View PDF \(13 Pages\)](#)

A short read but well researched, evidenced, and exemplified by Capgemini, making it a very insightful piece for both executives and internal consultants. The article presents a wide-view on the need for constraints of current business models and data use supported by good industry-wide examples. The references list is impressive and makes for a must-read article if only because “globally, less than a third of customers are satisfied with the services of their insurance providers” is explored from all directions.

A real contender for Article of the Month given its different perspective grounding and developing a well-covered theme.

JUNE 2015

“Borges’ Map: Navigating a World of Digital Disruption” **– BCG**

[View PDF \(32 Pages\)](#)

Scintillating stuff from two of BCG’s best. Beautifully written, though at times challenging and overly ornamented, the insight takes BCG’s prior 90-degree rotation of the value chain to industry stacks to a new level by proposing four archetypes within the stack. Oligopolies, Communities and Platforms won’t be as new to our readers as the infrastructure layer. What follows is a short description with some up-to-the-minute – if extreme, for effect – case studies and a four-step ‘implications for executives’ that will surely evolve as this new work is further road tested.

More experienced internal consultants and executives should read and enjoy this master-class material.

MAY 2015

“Evidence-based HR: The Bridge Between Your People & Delivering Business Strategy” **– KPMG**

[View PDF \(32 Pages\)](#)

Compelling insight based on academic input, a large global C-suite survey, and some fascinating work from KPMG’s Global HR Centre for excellence.

Drawing from the slow adoption of evidence in the medical field, KPMG explains some of the factors which may have hindered its evolution (HR data science capabilities low, insufficient resources, or poor expected return), but with some inspiring case studies (see the one from McDonalds on page 21). The result is that the reader is left in no doubt that evidenced-based HR is coming to your organization soon. Highly recommended for all internal consultants and leaders.

APRIL 2015

“Global Corporate Banking 2015. The Look of a Winner” – BCG[View PDF \(26 Pages\)](#)

This is an excellent article by BCG and a must read for corporate and business banking executives and their internal consultants. It sets out five waves of disruptive megatrends that are swamping these profit engines for the banks that own them.

The article goes on to make the case for eight - not new - actions that require urgent attention from those with the courage to chart a path to success. On review of these actions readers are highly likely to acknowledge their veracity, so it is worth reflecting that the Corporate Banking sector has been retarded by its traditional business models, which are no longer as fit for purpose as they once were.

If you found this article of relevance to your challenges and seek more in-depth insight, ICG has published a Knowledge Area Review (KAR) on this topic: Innovation in the Business Banking Value Proposition. The brochure can be found [here](#).

MARCH 2015

“Peer Pressure: How Peer-to-peer Lending Platforms are Transforming the Consumer Lending Industry” – PwC[View PDF \(18 Pages\)](#)

An excellent overview of a rapidly emerging finance category predicts that the P2P lending market could grow from \$5 billion to \$150 billion in the US alone within the next 10 years, as it matures and expands into mortgage, business, and other asset classes. The article includes a useful overview of the P2P lending ecosystem, including the role of the various platform participants, the loan origination process flow, and the customer experience.

PwC offers two alternative paths by which banks may respond to the P2P challenge: either through collaboration (as an investor or white label partner) or through competing directly.

This is an important subject handled with balance and insight, and will be of interest to both banking executives and consultants looking for up-to-date perspectives across what may become a key disruptive force across consumer lending.

FEBRUARY 2015

“A 2015 Regulatory Challenge for Banks” – EY

[View PDF \(6 Pages\)](#)

There is a lot to like in this short and pithy article from a global brains trust at EY. It is designed for executives, it gets to the point quickly, it outlines what the key issues are (resolution, capital, and liquidity) and then sets out a CEO- and board-level response agenda with good and well-articulated initiatives. For those looking for a role model insight, this is it.

JANUARY 2015 - DECEMBER 2014

“Are Banks Prepared for a New Turning Point in the Retail Banking Landscape?” – Roland Berger

[View PDF \(8 Pages\)](#)

A helpful insight that provides further evidence of Roland Berger’s continued ascendancy in the global consulting industry. This short article really makes two points: firstly, Roland Berger put a stake in the ground that the turning point is now here; and secondly, it introduces a checklist of strategic consideration presented in a very compelling and neat wheel framework (which already needs some refinement). However, for most internal consulting teams and executives in retail banking, this article provides a helpful reminder with more zeal and panache than the traditional PEST and 5 Forces frameworks.

NOVEMBER 2014

“Consumerized Employee Experiences Can Boost Workforce Productivity”
– Accenture

[View PDF \(17 Pages\)](#)

A fascinating article that explores the simple idea of treating employees in the same way they are treated as consumers by global best-in-class companies. Put another way, Accenture argues for an ‘employee needs-based’ approach to managing shared services, rather than the typical functional silos that characterise most organizations we are familiar with.

From identifying ‘moments that matter’ and leveraging data and analytics through to providing cross-trained ‘enhanced advisors’ to ‘delight employees’, the authors provide several ideas and examples on how to more efficiently and effectively address common employee needs (such as travelling for business, requiring a new computer, or even taking approved time off) using principles of customer-centricity.

Excellent piece with some real thought-provoking case studies – a must read for any forward-thinking human capital practitioner.

OCTOBER 2014

“Evolution & Revolution: How Insurers Stay Relevant in a Digital Future” – BCG

[View PDF \(130 Pages\)](#)

A very substantial Blue Paper collaboration piece based on global analysis by the two firms’ insurance and IT practices, including 56 senior executive interviews across 12 countries. The main text (running to 30-plus pages) is supported by a formidable deep dive of a further 90 pages of excellent material. The executive summary provides a very good quick read to set the scene for the main text and the subsequent deep dive text.

A huge resource featuring excellent case studies, scenarios, and IT vendor profiles all linked in a cohesive way – a must-read for all senior executives involved in future-proofing their organizations.

SEPTEMBER 2014

“Kill Your Performance Ratings” – Strategy&

[View PDF \(12 Pages\)](#)

A thought-provoking and robust “must-read” for any leader or HR Director wanting to create and sustain a high-performance organization. A thorough examination of the evidence is provided in support of the premise that performance rating systems are misleading, cumbersome, complex, and frequently damage the very performance they are intended to improve.

The rather strong statement “If you want a high-performance organization, you have to reverse the destructive effects of conventional performance management” is likely to be somewhat confronting to those many who have been immersed in overseeing and implementing conventional “rank and yank” performance management processes for so long.

At the very least, this paper deserves a thorough read-through (several times, perhaps) with careful attention paid to the ways in which performance rankings trigger adverse reactions in people in relation to all five of the SCARF factors which are posited to have immense effects on negative human reactions: status, certainty, autonomy, relatedness, and fairness.

It is not proposed that the baby be thrown out with the bath water. In transitioning to a no-rating system, two options are put forward as alternatives; structured conversations or guided conversations, and there is some discussion of these approaches and how the HR Department and company can provide a framework, guidance, and possibly training on how managers need to address the key topics to be covered.

For those who might be inclined to dismiss the perspectives offered in this paper out of hand, the challenging statement that “only one person feels neurologically rewarded by the (rate and rank) performance management exercise: the senior executive who oversees it” certainly warrants some introspection.

AUGUST 2014

“The State of the European Banking Industry” – Roland Berger

[View PDF \(42 Pages\)](#)

Wow – this is an exceptional coming of age report for Roland Berger in financial services. Its focus is, of course, Europe, with benchmarking across Europe and occasionally to the US for retail, CIB, and insurance and investments.

Helpfully, the report is in slide format and contains a rich mix of analysis, framing, insight and recommendations. It also tries to coin a new acronym ‘GAFA’ for the combined disruptive power of Google, Amazon, Facebook, and Apple.

Don’t forget the Appendix – we especially liked pages 35 and 36.

Excellent work.

The Insights Review – FS Edition Team

Candidate insights are compiled by an expert team of researchers. Reviews are written by partner-level subject matter experts from our industry and functional practices.

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We hope you have found ICG's *The Insights Review – Financial Services Edition* valuable.

If any aspect of this publication could be improved, please contact:

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For Further Information

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Our business model is consistent with future models of work: it brings together adhocracies (temporary project-based teams that capture opportunities, solve problems, and get results) and facilitates expertise and capacity augmentation. Our model is based on three key tenets: transparency to clients and affiliates; opt-in participation by all stakeholders; and a market-based model to ensure the very highest talent quality supported by a professional association like organization.

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We maintain a full suite of detailed due diligence materials for those clients and partners wishing to explore major contracts with us.

Further Information or Enquiries:

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The .
Insights
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Financial Services Edition

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