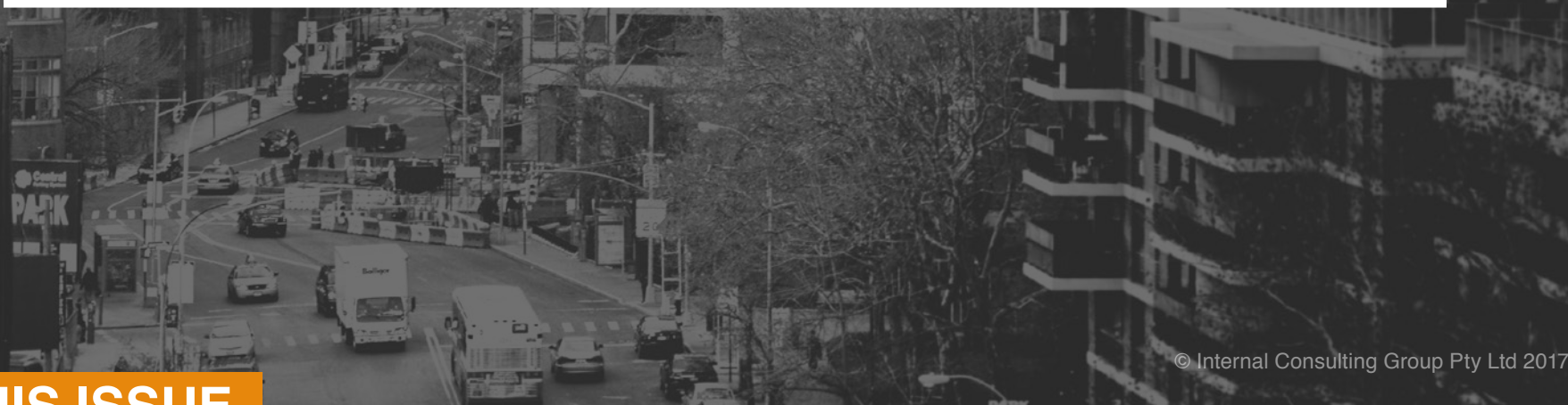




# THE INSIGHTS REVIEW



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## IN THIS ISSUE

STRATEGY & TRANSFORMATION  
EXTENDED ENTERPRISE & JOINT VENTURES  
REGULATION & PUBLIC AFFAIRS  
CORPORATE GOVERNANCE  
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RISK & COMPLIANCE

IN-HOUSE LEGAL  
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PAYMENTS

CYBER SECURITY  
MACRO FINANCIAL SERVICES  
RETAIL & BUSINESS BANKING  
FINTECH  
CORPORATE & INVESTMENT BANKING  
GENERAL INSURANCE

## 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 their internal 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.

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ICG has developed a significant library of curated reviews and has made these available to executives and internal consultants as a complimentary platform resource.

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## 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:

- ACC – The Association of Corporate Council
- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte, Touche & Tohmatsu
- Ernst & Young
- FMCG
- Huron Consulting
- IBM
- KPMG
- L.E.K.
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



## Message From the Editor,

Reviewing articles and editing this journal are two of my favourite professional development activities. Keeping up-to-date with the latest management tools, techniques, and perspectives from around the globe is essential to all of us to maintain our standing as professionals. It is with this in mind that we are delighted that Australia's leading professional body for financial sector professionals is now re-packaging ICG's The Insight Review to thousands of its well-regarded professionals in Australia and around the globe. We are delighted to be partnering with FINSIA and hope that you too can enjoy the most efficient method on the planet for curating the latest and best insights from the global consulting industry.

This month is the last busy month before the European summer holidays, so we have a great selection for you to scan and read. Our 'Article of the Month' really is a standout, and worth reading by everyone – even though some aspects of it are aligned to the insurance industry. All readers, especially bankers, will get a lot from it.

This month, we also welcome a new permanent reviewer to our team: Lisa Hickson, our global practice leader for Customer Experience. Lisa works with clients around the world to transform their customer experience.

We hope you enjoy this month's *Insight's Review* as much as we enjoyed the process of developing it for you.

This month, our deserving winner of 'Article of the Month' is:

["Technology Vision for Insurance 2017" – Accenture](#)

Please don't forget to forward on your copy of *TIR* to colleagues and friends, and encourage them to subscribe for their own complimentary edition [here](#).

Warm regards,

**David Moloney**

Global Editor



**David Moloney**

Global Editor

### About

David has enjoyed a stimulating career in the global financial services industry. Unusually for a consultant, he spent the first decade of his career working in banking from retail stores to helping the CEO with consulting firm led transformation projects. Transitioning to consulting via an MBA, he has spent more than two decades serving every segment of the industry in many countries. Importantly, as a global partner at two leading firms, he was well known for developing fresh firm and industry insights and in one firm, was directly responsible for leading the authorship of the most significant global reports for release at the World Economic Forum.

**THE  
INSIGHTS  
REVIEW**

FINANCIAL SERVICES EDITION





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# Cross-Industry Functional Topics

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Cross-Industry Functional Topics

## Strategy & Transformation

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)

### “Invest, Create, Perform: Mastering the Three Dimensions of Growth in the Digital Age” – McKinsey

[VIEW PDF \(10 PAGES\)](#)

Another alchemy of shareholder growth insight (survey-based), reminding us that longevity isn't assured and that strategically, inorganic beats organic.

Of the organic strategies, a multi-disciplinary approach (aligned to cycles and opportunities) beats a focus approach. There are three focused approaches:

1. Invest in momentum (granularity of growth style);
2. Create new revenues through product and business model innovation; and
3. Perform by optimizing their current model (in this age, increasingly through data analytics).

Of these, performers of the third category were more common among successful companies (we suspect the simplest to execute) and multi-disciplinary companies, with a bias towards creators who scored the highest overall.

A compact insight with important messages that is well worth a read to remind us of what is important.

### “Learning About Transformation from Social Mission Organizations” – BCG

[VIEW PDF \(4 PAGES\)](#)

Some wise words of advice deduced from the differences in approach between social mission organization leaders and those found in traditional organizations. It is a short article and the first half is full of new insights that every leader should embrace; the second half will be familiar territory to most readers. **lr**



Cross-Industry Functional Topics

## Corporate Finance / M&A

Review by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

### “The Benefits of Thinking Like an Activist Investor” – McKinsey      “How to Seal the Global Deal” – EY

[VIEW PDF \(9 PAGES\)](#)

A short and thoughtful summary of ideas to help management of listed companies prepare for an approach by an activist investor and their radical, cash-liberating proposals. The author’s suggestion is to set up a “red team” to think like an activist and engage the “blue team” (management), which could lead to worthwhile new ideas as well as better preparedness. This approach could be taken further, to war-gaming an encounter with an activist investor and testing how management and board handle themselves under pressure. The article is pragmatic and doesn’t take a position on the controversial issue of whether activist investors and shareholder primacy are healthy developments.

[VIEW PDF \(5 PAGES\)](#)

Anecdotes from 3 CFOs of their experience with cross-border acquisitions, with their top tips for CFOs who find themselves similarly involved. Interesting if you like stories, but the article lacks an overarching theme or recommended approach. **Ir**





Cross-Industry Functional Topics

## Regulations & Public Affairs

Review by: Egbert Schaefer | ICG Practice Leader Risk & Compliance Management | [Contact](#)

### “CRE Lending: Managing Risk & Meeting Regulatory Expectations” – Promontory

[VIEW PDF \(3 PAGES\)](#)

According to Promontory’s article, regulations for Commercial & Real Estate (CRE) Lending are expected to tighten further. Reasons are dropping underwriting standards and increasing use of automated lending within the industry. Regulatory concerns focus on sufficient stress testing, sophistication of risk management, and evidence for concentration risk management. Expected revised regulations will likely require key components of effective risk management such as board approval of the framework as well as risk appetite, alignment of risk appetite with underwriting standards, respective controls, and portfolio management to address concentration risks.

The article is recommended for readers interested in regulatory requirements for CRE Lending and indications of how to address current regulatory concerns.

### “Funds Transfer Pricing” – Roland Berger

[VIEW PDF \(24 PAGES\)](#)

Roland Berger conduct a study on the impact of Fund Transfer Pricing (FTP), concluding that FTP not only addresses regulatory requirements, but can also be used for restructuring the balance sheet. In order to realize its benefits, FX, liquidity, and interest rate positions need to be managed actively throughout the organization. Furthermore, risk, cost, and benefits must be transferred to the originating customer or product/business line. The study also outlines how a Funds Transfer Pricing framework can be established in an organization, and which components need to be covered.

The study is a recommended read for all risk, compliance, and finance/treasury experts who look for ways to not only comply with applicable regulations but also to ensure that liquidity, funding, product pricing, and profitability are optimized. **lr**





Cross-Industry Functional Topics

## Human Capital

Reviews by: Michael Roch | ICG Global Practice Leader | [Contact](#)

### “Creativity’s Bottom Line: How Winning Companies Turn Creativity Into Business Value & Growth” – McKinsey

[VIEW PDF \(9 PAGES\)](#)

In this article, McKinsey looks beyond human creativity and assesses how organizational creativity generates business value.

Using creativity proxies such as the prestigious Cannes Lions awards, McKinsey grabs the reader’s attention by proving that creative companies outperform in terms of revenue growth, shareholder return, and net enterprise value. The authors then offer key practices associated with creativity and innovation. These are: incorporating innovation in daily practices, becoming customer fanatics, and accommodating the speed needed to innovate and adapt.

The stated innovation practices leave us wanting for more. This is a pity, because the link between creativity and financial return is so crucial for most companies.

Our suggestion: read the front end of the article in detail and reflect deeply on what this means for your organization... and then merely scan the second half.

### “10 Career Tips From the World’s Leading CFOs” – EY

[VIEW PDF \(3 PAGES\)](#)

Faithful readers of this publication will please allow this tongue-in-cheek review of a review of Sally Percer’s “Reach the Top in Finance: The Ambitious Accountant’s Guide to Career Success.” EY’s Top 10 is good advice and will take less than a minute to read. Add our No. 11: “Look beyond the numbers.” In our experience, the greatest career limiter for any aspiring CFO is financial over-credulity and the myopia that results.



Cross-Industry Functional Topics

## Human Capital

Reviews by: Michael Roch | ICG Global Practice Leader | [Contact](#)

### “Automation is Here to Stay... But What About Your Workforce?” – Deloitte

[VIEW PDF \(17 PAGES\)](#)

We whole-heartedly agree that automation is here to stay. Yet in this reviewer's estimate, less than 10% of all CxOs have a solid grip on what automation is, its potential, and its impact on how we will do business in five to ten years' time.

The front part of this article is one of the best summaries of how to deploy automation across the organization that we have seen. It is a must read for any CxO – not just Chief Talent Officers.

For Chief Talent Officers though, the back part of the article hits the right topics: the very definition of an organization is changing, with a small core around an “extended enterprise” of co-operative partnerships and collaborators (the “ecosystem”?). The authors also address changes in the meaning of workforce, organizational leadership, and performance management. The article takes too many words to explain all that – which is a pity given the snappy and excellent summary of automation at the front end of the article.

The only thing that leaves us really wanting is the section on “future-proofing your work force”. Deloitte's recommendations to re-envision corporate culture – closing skills gaps and managing change deliberately – are a bit of a yawner.

That criticism aside, this article, and especially the front end on automation, remains a must read for any CxO. **lr**

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Cross-Industry Functional Topics

## Risk & Compliance

Reviews by: Egbert Schaefer | ICG Practice Leader Risk & Compliance Management | [Contact](#)

### “Risk in Review: Managing Risks from the Front Line” – PwC

[VIEW PDF \(29 PAGES\)](#)

In this survey, PwC evaluates the impact of managing risks from the First Line of Defense. Survey participants are evenly distributed across America, APAC, and Europe, and operate in different industries. With business (First Line of Defense) owning and managing risks, results show that organizations are more agile in responding to disruptions. Respondents, having implemented the necessary changes to their risk model, expect a positive impact on growth and profit within the next three years. Suggested criteria for a successful implementation of a Three Lines of Defense model include incorporation of risk management in strategy planning/decision-making, definition of risk appetite throughout the organization, clear definition of responsibilities, and cultural alignment.

The article is a recommended read for C-Suite executives, board members, and risk professionals looking for insights for establishing the Three Lines of Defense model.

### “Taking Aim at Value: Avoid Overconfidence & Look Again at Risk” – Deloitte, Touche & Tohmatsu

[VIEW PDF \(9 PAGES\)](#)

Deloitte’s survey encompasses responses from board members and C-Suite executives (excluding CROs) from various companies operating in different industries and countries. The survey finds that effective risk management can indeed result in value *creation*, rather than only value *protection*. However, results show that respondent companies are overconfident in their risk management capabilities, since their organizations do not cover all key pillars for effective risk management. Recommendations for creating value through risk management include:

- Combining value creation activities with effective risk management;
- Alignment of the CRO role with strategic objectives; and
- Preparation of responses to strategic risks.

The article is a recommended read for all executives and risk practitioners who want to evaluate the status of their organization’s risk awareness and enhance their value creation capabilities via effective risk management. The IR logo is a small square icon with the letters 'IR' in white on a dark background.





## Cross-Industry Functional Topics

# In-House Legal

Reviews by: Elizabeth Burns | ICG Subject Matter Expert | [Contact](#)

## “Global Perspectives: ACC In-House Trends Report” – ACC

[VIEW PDF \(9 PAGES\)](#)

The ACC, via a survey of 1889 globally dispersed in-house counsel, examined a number of subject areas connected by one integrating theme: their impact on the day-to-day professional life of in-house counsel.

The findings are worth reading for their demographic differences. Gloomily, they underline the frustration of women looking for good roles after a career break, gender pay disparity, and the fact that only 8% of male respondents believe that it exists.

This report is suited to in-house lawyers, law firms, and HR professionals, looking to maximize their relationships with, and manage the careers and expectations of in-house counsel.

Those interested in the content of this short review would be well advised to read the full report. **lr**



Cross-Industry Functional Topics

## Marketing & Customer Experience

Reviews by: Lisa Hickson | ICG Practice Leader Customer Experience Strategy | [Contact](#)

### “Customers’ Lives Are Digital — But is Your Customer Care Still Analog?” – McKinsey


[VIEW PDF \(6 PAGES\)](#)

This article introduces the concept of e-care (or digital customer service) by commenting that as consumers are increasingly moving to digital channels for sales and service requests, they will increasingly expect digital channels to deliver care and support.

The authors remark generally that consumer expectations around simplicity, ease, and seamlessness between channels are being set high by companies like Uber and Spotify, and this is proving challenging to match for many traditional omni-channel companies.

McKinsey evaluate the e-care offerings of more than 20 major telecommunications companies and identify that seven dimensions are important for strong e-care offerings: Simplicity, Convenience, Interactivity, Consistency, Value/Results, Desirability, and Brand.

Slightly more detail on each is provided in the article, however the short definitions as provided appear pretty broad and overlapping.

At only 6 pages, if the above has piqued your interest, you may find value in this short read. 



## Cross-Industry Functional Topics

# Technology

Reviews by: Christophe Amoussou | ICG Practice Leader IT & Transformation | [Contact](#)

### “How Artificial Intelligence Can Deliver Real Value to Companies” – McKinsey


[VIEW PDF \(4 PAGES\)](#)

This 4-page paper is an extract of a much bigger survey about AI and its value for companies. Nothing really new for AI aficionados here – it simply informs us that early adopters are early beneficiaries of AI and that to hasten its use and deployment, governments have a role to play. Indeed, a culture of innovation and continuous training will be the necessary ingredient for a great outcome.

A concise article to read, but only when you have read everything else.

### “How Data Science Can be Serving Public Interest” – Roland Berger

[VIEW PDF \(4 PAGES\)](#)

In this paper, the authors inform us that Big Data is finally reaching the public sector. This reviewer fears to say that this is old news; the report is essentially a Belgian article to inspire the laggards in big data still hesitating about its value and operation-ability. 

## Virtualization in Financial Services

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A peerless synthesis of available information (public sources, applied science journals, research databases, public company records).

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Cross-Industry Functional Topics

## Innovation & Disruption

Review by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

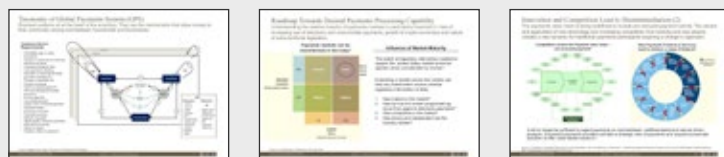
### “Digitalization for the People” – Roland Berger

[VIEW PDF \(32 PAGES\)](#)

A summary of digital globalization and its opportunities and risks, with a set of policy proposals aimed at G20 leaders attending the recent summit in Hamburg. The paper takes the moral high ground and discusses the issues against the background of the protectionist or “closed” mood that is spreading in many rich countries, where politicians are responding to voters disillusioned with globalization. A particular focus is the dominance of a few global digital platforms like Apple, Google, Facebook, Microsoft et al. You should equate this general interest article with the special reports one finds in “The Economist” magazine. **lr**

### Impact of Telematics on Automotive Insurance

KAR 030



98 pages

Featuring the business models and alliances driving innovation, as well as their successes, failures and key learnings.

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Cross-Industry Functional Topics

## Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)

### “Successfully Navigating Changes to Payments Regulations” – Roland Berger

[VIEW PDF \(16 PAGES\)](#)

A good read describing the impact of the EU’s Payment Services Directive 2 (PSD2) which, amongst a number of things, empowers consumers with control of their financial information. The regulation compels banks to provide third-party payment service providers with relevant data to affect a payment. The article touches on disintermediation impacts for acquiring banks and card schemes.

Three opportunities are presented for both existing banks and non-bank players: 1) Enabling a new experience in day-to-day personal financial management; 2) Extending the traditional banking interface into a broader holistic solution (i.e., online shopping and advice); and 3) cross-selling of services beyond the financial services sector with non-financial services partnerships.

### “Blockchain: Unlocking the Potential” – Roland Berger

[VIEW PDF \(20 PAGES\)](#)

Includes a standard brief on how blockchain works and a series of reasons why it matters to the financial services industry. It also sets out a well-documented one-page on four blockchain use cases (remittance, trade, securities trading, and insurance).

For those who haven’t put a plan together to tackle blockchain in their business, the article lays out an easy-to-implement 5-step approach with a number of pertinent questions to ask as progress is made.



Cross-Industry Functional Topics

# Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)

## “Over the Horizon: Blockchain & the Future of Financial Infrastructure” – Deloitte, Touche & Tohmatsu

[VIEW PDF \(36 PAGES\)](#)

**P**ushes through the current challenges of blockchain technology and offers useful future case applications of the technology across the financial services playing field.

Each opportunity – global payments, commercial property and casualty claims, syndicated loans, trade finance, contingent convertible bonds, automated compliance, proxy voting, asset rehypothecation (the practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by their clients), and equity post-trade – has a well laid-out application of distributed ledger technology and the benefit of implementation. **lr**



## Cross-Industry Functional Topics

# Cyber Security

Review by: Mike Trovato | ICG Practice Leader Cyber Security | [Contact](#)

## “Deploying a Cyber Risk Strategy” – Oliver Wyman

[VIEW PDF \(15 PAGES\)](#)

This US-centric view of cyber risk management strategy deployment in financial services could be applied to most critical infrastructure sectors. Also, the overall message is clear: if you don't like the level of regulation and compliance, stand by as more is on the way.

Much of the risk content will be recognized by financial services companies, although the authors have applied risks concepts like “Three Lines of Defence” to cyber, with a twist around the role of the CISO. Most organizations tend to define the lines differently – so there is no standard model – but their example approximates the line “1.5” dilemma faced by many companies.

Their application of the NIST Cyber Security Framework is not well aligned, although the controls outline are good ones, especially some of the defensive security controls for penetration testing. For alignment, instead refer to NIST Cyber Security Framework directly.

A good read for executives to survey the basics and the challenges around cyber security and to increase their understanding. Five key moves are offered, although no moves about building cyber capability programs are included. The article correctly highlights the need for boards and executives to have a view of financial exposures of cyber risk with by business line, process, or platform – a major point that may be missed by some readers.

## “Demystifying Cyber Insurance Coverage” – Deloitte, Touche & Tohmatsu

[VIEW PDF \(34 PAGES\)](#)

This report by the Deloitte Center for Financial Services, in collaboration with Deloitte Cyber Risk Services, offers a clear-eyed view of the obstacles and strategies to overcome them for the evolving and growing cyber security insurance market. As described, insurers will need to overcome these obstacles to fully realize the upside potential of this problematic yet promising market.

Both buyers and sellers of these products will benefit from this paper, as it synthesizes information from a dozen sources (which it offers to readers for further research). You may not want to buy or sell these products after reading this, but you will be more informed about them and the myriad of challenging issues, from an insurance perspective, that is accurately described as a “vicious circle”.



Cross-Industry Functional Topics


## Cyber Security

Review by: Mike Trovato | ICG Practice Leader Cyber Security | [Contact](#)

### “Picture Perfect: A Blueprint for Digital Identity” – Deloitte, Touche & Tohmatsu

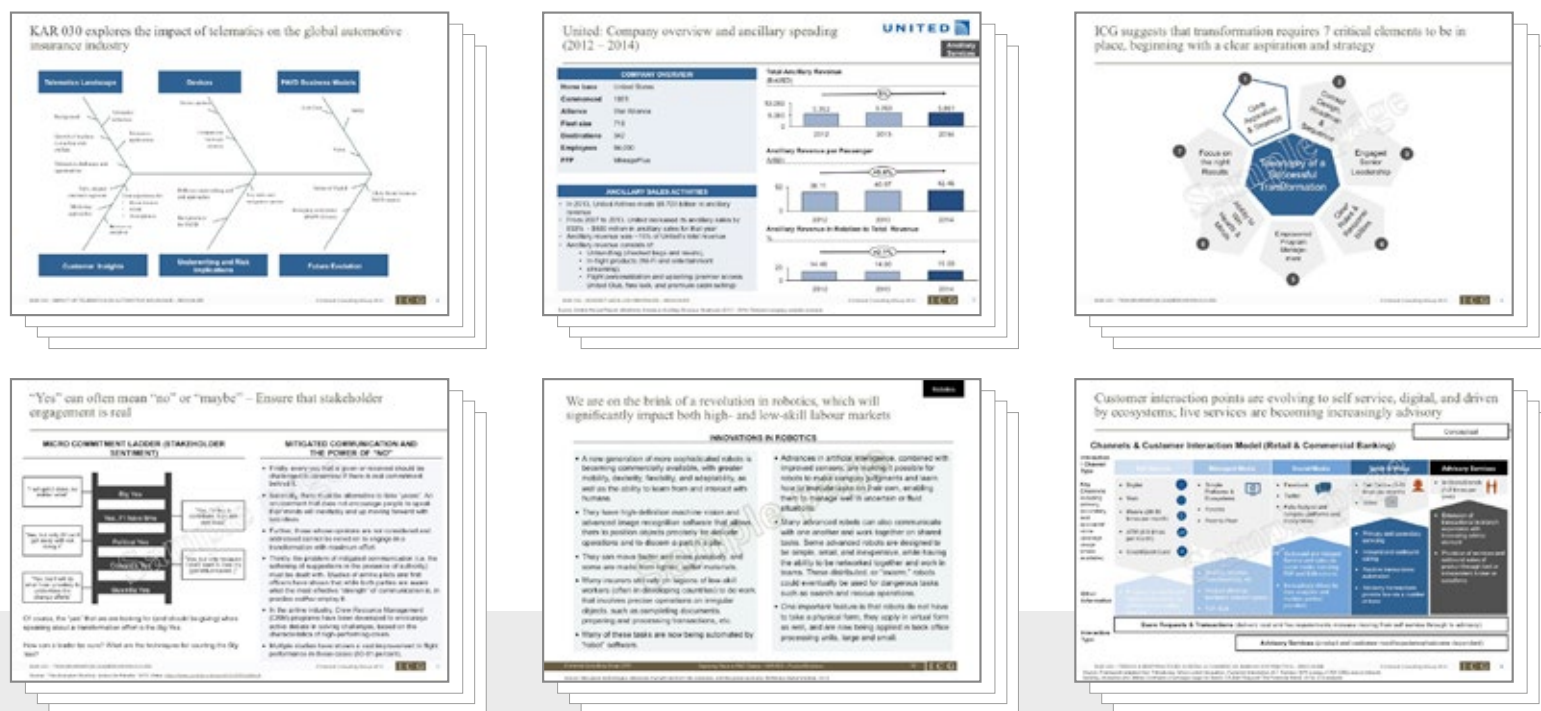
[VIEW PDF \(16 PAGES\)](#)

Not for the faint-hearted, Deloitte – in collaboration with the World Economic Forum – advocates financial intuitions taking the lead in developing comprehensive digital identity solutions. It provides a good primer on digital identity and some of the societal goods that can come from comprehensive identity solutions that are well developed and deployed. However, the paper falls short of being a “blue print”, as after all this is a complex and complicated problem.

It also misses the opportunity for collaboration between the technology industry and government, who may ultimately be better at providing comprehensive identity solutions. Although financial services companies once held the trust of customers worldwide, the global financial crisis demonstrated the systemic weaknesses in the financial industry ecosystem and the need for government regulation and compliance. Although consumers still have a certain degree of trust in their institution, would customers trust their institution to manage their comprehensive digital identity? Or is this leadership role better left to global, well-funded, and independent technology providers? Regardless, this paper is well-written and worth a read. 



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# Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Fintech](#) | [Corporate & Investment Banking](#)  
[Wealth & Advice, Investments & Fund Management](#) | [General Insurance](#)



Industry-Specific Topics

## Macro Financial Services

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)

### “Winning in the Digital Economy” – Accenture

[VIEW PDF \(22 PAGES\)](#)

This insight really begins on page 9, so start before at your peril! While the shoe metaphor quickly becomes tiresome this insight provides a useful framework (which should be read in conjunction with MIT’s Peter Weil’s digital platform framework) on how banks can evolve or revolutionize their business model to prosper in a digital world. The options include: Open platform player (digital supermarket of curated products); Utility player (provide infrastructure services to enable others’ businesses); Digital category killer (dominate digital mortgages or wealth advice); Digital relationship manager (a digitally-enabled, AI-driven proactive relationship manager with access to solution components and integrated into Facebook, Google, Amazon, and Apple). And then there is the idea of even further extension outside banking (this is common in some places already. such as USAA’s famous discounted car sourcing service to win it an insurance policy). A surprisingly helpful navigation tool rounds out the back half of this insight, which is written by three of Accenture’s most senior partners and is well worth a read.

### “Managed Services: A Catalyst for Transformation in Banking” – Deloitte, Touche & Tohmatsu

[VIEW PDF \(24 PAGES\)](#)

Traces the evolution of business process outsourcing through to the latest outcomes-focused managed services model. The insight helpfully identifies the differences, and supplies a framework for considering when to externalize processes and what to look for when considering potential partners. A helpful insight exposing new thinking on an emerging area of extended enterprise development, which COOs and internal consultants will find worth skimming. **lr**

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Industry-Specific Topics

## Fintech

Review by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

### “With Watson Financial Services, IBM Launches Cognitive Era of RegTech” – Promontory

[VIEW PDF \(2 PAGES\)](#)

A short product brochure from IBM’s Financial Services division announcing their latest Watson powered offerings, which use Watson’s natural language processing capabilities in the cloud to monitor and perform regulatory compliance in financial services. It also mentions their Algo One big data analysis platform. 

## Innovation in the Business Banking Value Proposition

KAR 011



170 pages

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[VIEW KAR 011 >](#)



Industry-Specific Topics

## Corporate & Investment Banking

Review by: Andrew Boyes-Varley | ICG Financial Services Practice Leader (UK) | [Contact](#)

### “Hedge Funds: Down but Not Out” – BCG

[VIEW PDF \(3 PAGES\)](#)

A birds-eye view of the landscape that hedge funds inhabit, and three scenarios of how this might evolve... none of which are pretty. BCG offers suggestions on what funds need to do to be the ones that continue to walk free. There are no surprises in this piece, but it is a call to action. **lr**



## Industry-Specific Topics

# Wealth & Advice, Investments & Funds Management

Reviews by: Barry Johnston | ICG Practice Leader for Wealth Management and Superannuation | [Contact](#)

## “The New Face of Wealth Management in the Era of Hybrid Advice” – Accenture

[VIEW PDF \(12 PAGES\)](#)

A brief article from Accenture describing the results of primary client research on preferences for wealth advisory delivery models. A key takeaway discussed is a future hybrid model where robo takes on many of the investment aspects of traditional advice models, leaving planning activities to human advisers. The research describes clients’ attraction to the convenience of digital access, as well as the appeal of “a la carte” pricing models that only charge for human advice when sought. But the article is silent on the economic implications of such pricing, specifically the challenge of maintaining client profitability in a relationship where income falls, but the client service workload changes only marginally from today’s full-service models. Along with growth in client numbers, operating model innovation is the primary challenge facing today’s wealth firms and those that can successfully transform their economics will be the first to realize the benefits of these new delivery models.

An interesting although not essential read for wealth industry executives and strategists.

## “Reinventing Wealth Management for Women” – Accenture

[VIEW PDF \(8 PAGES\)](#)

An even briefer article from Accenture from the same client research exercise, however despite its brevity, it manages to convey in some detail the aspects of financial advice sought by women that are different to value propositions traditionally offered to men. The article is an interesting read for industry practitioners as a self-check on the breadth and depth of their advisory approach to women, and how it would hold up to competition from women-only advisory firms. Well worth the five minutes’ read for executives with responsibility for this area. **lr**



Industry-Specific Topics

## General Insurance

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)

### ARTICLE OF THE MONTH

#### “Technology Vision for Insurance 2017” – Accenture

[VIEW PDF \(56 PAGES\)](#)

**L**ongish but very powerful must-read annual survey based review of how technology is reshaping insurance. It is brimming with cutting-edge case studies, thumbnail technology applications, and useful factoids. The last page of each section ends with startling predictions.

The authors cover five main trends:

1. **AI is the new UI** (which observes that AI is hitting the front office and substituting for humans, or augmenting them, to give even better advice).
2. **Partnership models are evolving to powerful ecosystem plays.** A great summary of much of the platform material we have seen before, but adds the idea that voice activated platforms will lead.
3. **Workforce marketplace.** Outlines the role of the various liquid labour platforms within the insurance industry, with bold predictions for labour changes.
4. **Design for humans.** Summaries the way the insurance proposition is being embedded into the customer journey and augmented with new technology.
5. **Invent new industries and set new standards.** Describes how industry boundaries are blurring through ecosystems and how principal agent economics are being transformed with blockchain-like technologies supporting performance-based contracts.

Definitely worth a read for all internal consultants and all executives (insurance and other sectors), and a worthy winner of our ‘Article of the Month’ award.

#### “Insurance Banana Skins 2017” – PwC

[VIEW PDF \(41 PAGES\)](#)

**A** bi-annual, spread-too-thinly, global outsourced survey of risks in various sectors of the insurance industry. With results that are in line with current trends (business model risk, cybercrime), this report is only useful to insurance risk officers looking for weak general empirical support of risks to the industry. Internal consultants new to the industry will get some value for their efforts wading through an over-engineered report. Those internal consultants who are familiar with the industry should simply scan page 9 and read the rectangular call-out boxes, which have the most interesting insights.

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Industry-Specific Topics

## General Insurance

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)

### “Claiming a New Outcome” – AT Kearney

[VIEW PDF \(3 PAGES\)](#)

This article has more author photographs than paragraphs. Short and not so sweet, it observes that improvements in technology, Big Data-driven analytics, and extended enterprise partnering have made great strides and need to be embraced individually and collectively by insurers. With no examples of specific technologies or their application, this insight is one to miss. 

REVIEWS OF THE WORLD'S LEADING INSIGHTS



# THE INSIGHTS REVIEW

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## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



## Articles of the Month

The Best Insights of the past 12 months

JUNE 2017

### “The Business Logic in Debiasing” – McKinsey

[VIEW PDF \(9 PAGES\)](#)

**H**ave you ever wondered where overconfidence exhibited in financial markets comes from (e.g., from personal traits or from experience)? And is it selected by, or limited by, organizational design? Or, can psychological theories of strategic naiveté (which were developed to fit controlled laboratory experiments based on game theory), also help explain naiveté in financial decisions?

This excellent article aims to provide you with insights into biases that effect decision-making, both at a personal level as well as at a system level. It also shows you some ways to de-bias your decision-making.

It's a great read for board members and Executive leadership across many industries, and especially financial institutions.

APRIL - MAY 2017

### “What Deep-Tech Startups Want from Corporate Partners” – BCG

[VIEW PDF \(12 PAGES\)](#)

**“D**eep-tech start-ups” are built around unique, differentiated technologies that are hard to reproduce. They are different from start-ups that are merely technology-enabled. This distinction matters because their business and revenue models tend to be complicated, and investors thus evaluate them differently. BCG surveyed more than 400 deep-tech start-ups to understand their needs of preferred partners, such as venture capitalists, corporate VC funds, incubators and the like.

The article does a superb job explaining what it takes for an ecosystem of incubator, university, corporate support, VCs and the public sector to meet a deep-tech start-up's thirst for funding, market access, technical and business knowledge, facilities access and – importantly – talent (see Accenture's excellent study on the modern work force elsewhere in this edition of *TIR*).

BCG's article is a particularly excellent read for the C-suite and platform executives of large corporates who seek to accelerate their innovation by collaborating with start-ups.



## Articles of the Month

The Best Insights of the past 12 months

MARCH 2017

### The New Battleground for Marketing-led Growth – McKinsey

[VIEW PDF \(14 PAGES\)](#)

An impressive article from McKinsey. It re-presents the consumer decision journey, a systems dynamics approach to customer purchase behavior backed up by an increasing body of evidence which drives internal consultants to help their organization focus on what matters. Loyalty programs are expensive and less important as loyalty amongst customers falls. Instead, organizations should focus on ensuring they are within the initial consideration set and create a centre of gravity through ongoing product, service, and brand news.

This insight is a worthy winner of our 'Article of the Month'.

JANUARY - FEBRUARY 2017

### “Top 10 Trends in Wealth Management 2017” – Capgemini

[VIEW PDF \(28 PAGES\)](#)

A well-structured follow-up to last year's excellent report providing a brief snapshot of the major trends impacting wealth firms globally. The trends this year are significantly different to last year's list. Some may turn out to be well ahead of the game, e.g. AI-based analytics is a bridge too far for most wealth firms. Others making the list this year have been around for many years, e.g. inter-generational wealth transfer, and the pressure to shift from asset-based fees. One trend not discussed is the emerging challenge of data ethics, in particular the amount of external data to capture on clients and how to use it in ways that clients deem acceptable. Profit-for-member pension funds are just beginning to realize this is an area where they can sustain significant competitive advantage over their profit-for-shareholder competitors. Overall, the article is a good summary of the challenges facing the industry globally, without going into detail about potential solutions. Useful reading for industry executives and internal consultants.





## Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2016

### “Digital Transformation in Financial Services” – Deloitte

VIEW PDF (28 PAGES)

A worthy winner of our ‘*Article of the Month*’, this is an excellent ‘Act Now!’ insight. In order for FSI firms to survive and thrive, (digital) evolution is inevitable and DNA mutation is part and parcel of that evolution. This is the essence of Deloitte’s argument. It addresses all the typical types of mutation (albeit in business language) viz., substitution, insertion, deletion and frame shift. Preparing your organization, culturally, skills, and capabilities-wise, for such mutation is at least as critical as strategizing to evolve.

The article provides very good content to understand which evolutionary branch type your firm fits and also outlines a robust approach to rewiring your firm’s DNA. A must-read for senior management, particularly those who have been appointed as Head of Digital Innovation. Make your read even more interesting by following the case studies in the article in more detail. Also, learn about customer-centricity (one of the key attributes of the Digital DNA) from ICG’s own Global Thought Leader – Stephen Hewett. ([stephen.hewett@internalconsulting.com](mailto:stephen.hewett@internalconsulting.com)).

NOVEMBER 2016

### “Insurers Need to Plug into the Internet of Things – or Risk Falling Behind” – McKinsey

VIEW PDF (10 PAGES)

A well-written 10-pager which recognizes that this theme dates back to 1999, and there are already more things connected to the internet than people. Some staggering data shared!

The article considers four product segments – car, home, health, and commercial – and covers some familiar territory. The emergence of co-opetition is well set-out, as are the needs for clear visioning by boards and executives to ensure traction. Whether companies consider they can innovate forward or embrace real disruptive change head-on is the key question being posed again.

Given the powerful introduction and scene-setting, this article is a must read for senior executives. Some themes are not new, but the overall journey steps and the five fundamental assets in the McKinsey “Global IoT in Insurance” framework are very well set out. A worthy winner of our ‘*Article of the Month*’ award.



## Articles of the Month

The Best Insights of the past 12 months

OCTOBER 2016\*

### “Capital Markets & Investment Banking 2016: Time for Tough Choices & Bold Actions” – McKinsey

[VIEW PDF \(48 PAGES\)](#)

Regular readers of the CIB section of *The Insights Review* will recognize that this paper by McKinsey is another in the stack by all the branded consultants on the same set of issues facing this sector. As the title suggests, many participants have not yet made their choices, never mind put them in to action.

The paper is of the high quality one would expect from this firm. It starts out with data, analysis, and insight to succinctly lay out the challenges facing the sector. This is followed by four mutually exclusive, potentially winning business models to choose from – based on the organization’s capabilities (or put another way, resources and strategic purpose). Finally, it concludes with eight action initiatives, irrespective of which business model fits best.

In your reviewers opinion, this is the most comprehensive, insightful, and pragmatic action-oriented paper on this topic he has reviewed. It is highly recommended for CIB leaders and their advisors/internal consultants.

To quote from the paper, “*The road to a sustainable future remains open for CMIB banks, but only if they make tough choices and take bold actions now.*”

A worthy winner of our Article of the Month award.

AUGUST 2016

### “Distributed Ledgers in Payments: Beyond the Bitcoin Hype” – Bain

[VIEW PDF \(12 PAGES\)](#)

Probably the best and most thoughtful article exploring the opportunities (and threats to incumbents) of distributed ledgers in payments that we have read for some time, and well worth reading.

The report predicts a range of developments focused on international payments and provides some detailed insights into how correspondent banking and trade finance might embrace digital ledger technologies.

The report also touches on implications for domestic payments – as yet a little way off, but if realized, of profound consequence.

A thoroughly well-deserved ‘Article of the Month’.



## Articles of the Month

The Best Insights of the past 12 months

JULY 2016

### “Empowered for the Future” – KPMG

[VIEW PDF \(24 PAGES\)](#)

The longest general insurance article – at 20 pages – on one of the least considered topics in the insurance sector insights this year. It is a real transformational change piece – starting with a bold statement that most work in this area does not achieve objectives and the T-word is even being banned in many organizations – which then focuses on reinvention. A global survey based piece, rich in data and examples, it revisits the strategic case for more than incremental changes given global disruptors. The classical roadmap and KPMG credentials for insights and programme delivery round out the article.

In terms of challenging questions and considered case examples and insights, this is the best article your reviewer has read regarding changes needed – and the roles of both collaboration (again!) and empowerment of leaders to deliver. It is recommend to all executives and internal consultants as the one to read this month, and is therefore a worth winner of our coveted ‘Article of the Month’.

JUNE 2016

### “Management Information on Culture” – Deloitte

[VIEW PDF \(32 PAGES\)](#)

Researchers, analysts, and business leaders have studied and created numerous models of organizational culture. The concept of culture is not new to organizational development. This article outlines 8 principles that companies should use to assess their culture. Deloitte has packaged the concept as Culture Management Information or Culture MI. None of this is new.

However, what is interesting in this article is the application to financial service firms. The article provides a guide for firms who do not have an emphasis on culture within their current business environment.

It provides a framework for those who want to understand, assess, and manage their culture, and it can be adapted globally to respond to different regulatory bodies.



## Articles of the Month

The Best Insights of the past 12 months

MAY 2016

### “BCG Technology Advantage” – BCG

[VIEW PDF \(48 PAGES\)](#)

The closest thing to a Mini CIO MBA, this is 46 pages but definitely worth reading.

Ralf and team are on tune with their insights on what really matters. Yes, this is slightly financial services-orientated, but clear lessons for all CIOs to take note of.

Do yourself a favor and read this one – our joint winner of ‘Article of the Month’.

### “The Six Signature Traits of Inclusive Leadership” – Deloitte

[VIEW PDF \(32 PAGES\)](#)

It is not hard to be impressed by this insight. Deloitte has pulled out all stops to ‘future back’ the leadership traits that will future-proof your career and CEO potential. The article is in three sections – the first nicely argues for the second – but those short on time can skip what is a generously interpreted set of mega trends that support the need for new leadership traits. The second section identifies and defines the six new traits and 15 supporting elements, which are convincingly argued and differentiated from mainstream thinking. The third short section talks to implementation, so we suggest internal consultants and their executive clients turn to section 2.

A worthy joint winner of our insight of the month award!

APRIL 2016

### “World Insurance Report 2016” – Capgemini

[VIEW PDF \(56 PAGES\)](#)

A data-rich, 54-page production with 30 pages of report supported by a wealth of country snapshots as appendices – from Australia to the United States – with the authors working closely with EFMA as research supporters.

The two-chapter report condenses a massive 15,000-plus ‘voice of customer’ survey looking at motivations, habits, preferences, and behaviors across 30 countries and synthesizes the outputs into two bold and interlocking summations. 1. “Gen Y experience suppresses global improvement in customer experience”; and 2. “Connected technologies threaten traditional insurance models”. The proposition for readers being that Gen Y and the Internet of Things present a potent mix for insurers. Probably hard to disagree with this – but the article does flesh out both sides of this view in some detail and gives a ‘currency check’ by market.

Bringing in themes and views on many related articles over the last 12 months (mainly the multitude of digitalization pieces), your reviewer considers this a must read for anyone looking at the future dynamics of consumer insurance.

This larger insight is a worthy winner of our ‘Article of the Month’.






## ***The Insights Review – Financial Services Edition Team***

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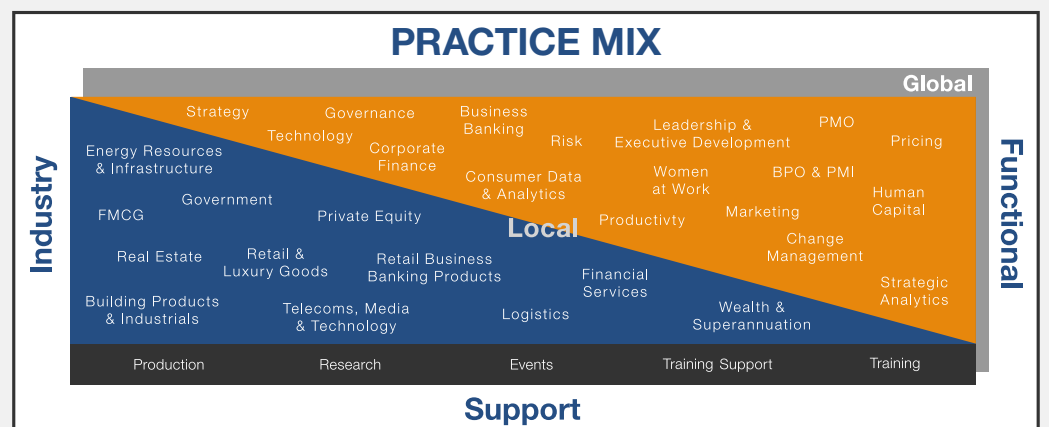
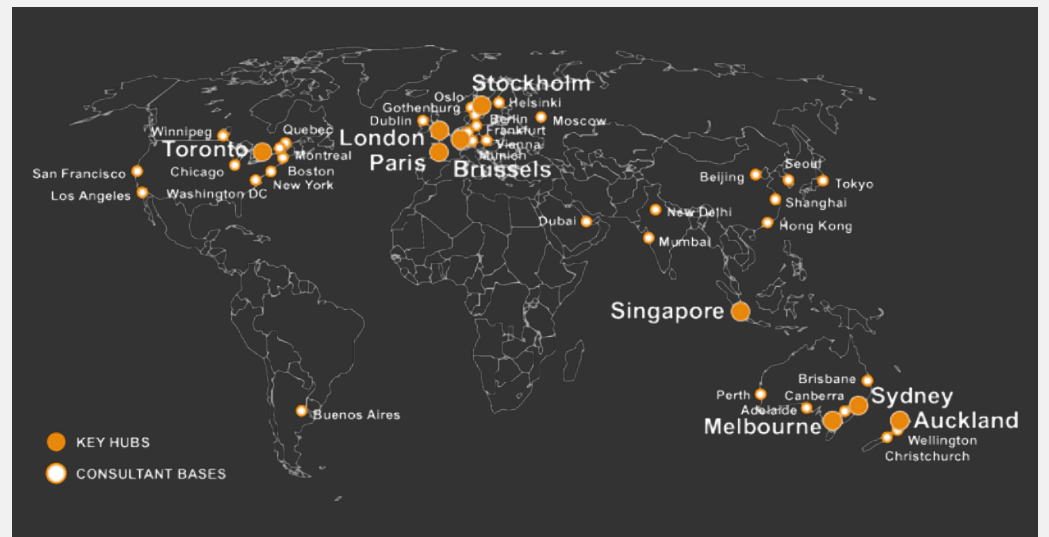
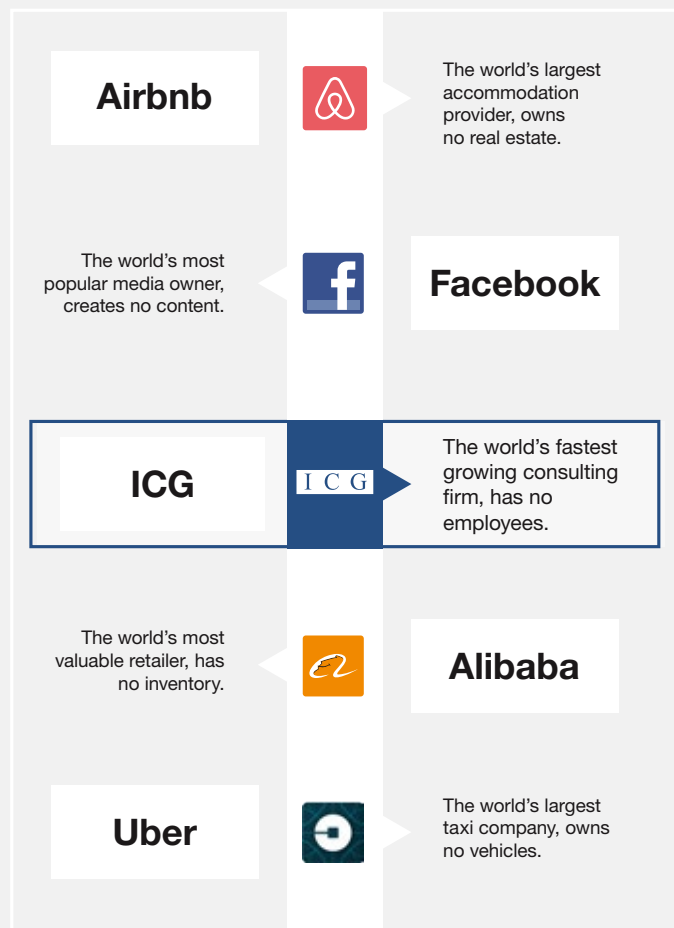


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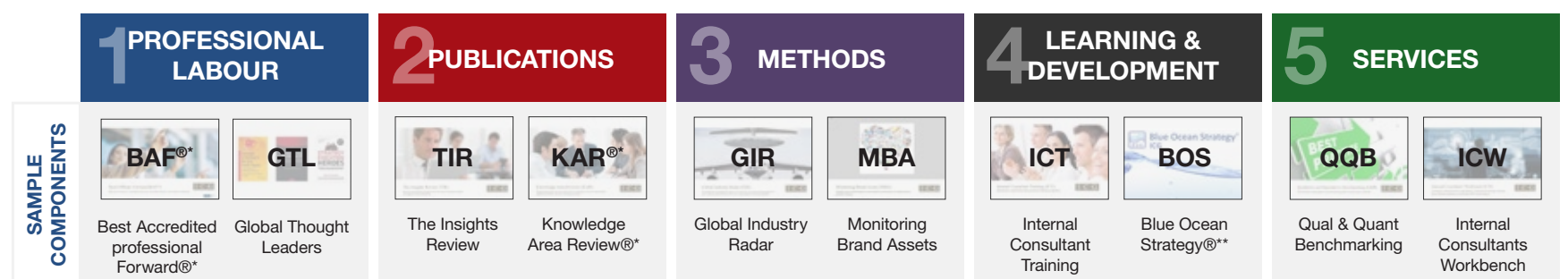
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