



# THE INSIGHTS REVIEW

FINANCIAL SERVICES EDITION

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ARTICLE OF THE MONTH: “*Digital Transformation in Financial Services*” – Deloitte

## 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.

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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 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
- L.E.K.
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



## Message From the Editor,

As 2016 comes to a close, I'm pleased to present our final edition of *TIR* for the year. As usual, there are insights that we commend to you (such as Deloitte's great article below) and those we advise you to skip – all in the interest of helping you direct your time to those most worthy of it.

As always, your feedback on how we can improve *TIR* is welcome – you can email me personally with your thoughts at [david.moloney@internalconsulting.com](mailto:david.moloney@internalconsulting.com).

Our *Article of the Month* for this issue is Deloitte's "[Digital Transformation in Financial Services](#)".

Finally, I'd like to take this opportunity to thank all our readers and expert global team of reviewers, and to wish everyone all the best for a safe and enjoyable holiday season.

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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# Financial Services: Industry Economic Context

## General Strategic Interest

### “What the US Election Means for Business & the Economy” – Bain

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

**P**unchy insights from the new macro trends group at Bain. This article does a great job of helping internal consultants draft CXO and board updates on the recent election of Trump, and through direct digestion helps executives without such capabilities.

### “The Three Legs to Build a Stable Bank: Culture, Conduct & Customer” – KPMG

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

**A** timely reminder of the critical cross-dependency of all three C’s, especially to those banks in the thick of conduct and remediation programs.

Includes a very helpful new framework showing the respective roles of culture on risk, conduct risk, and customer outcomes.

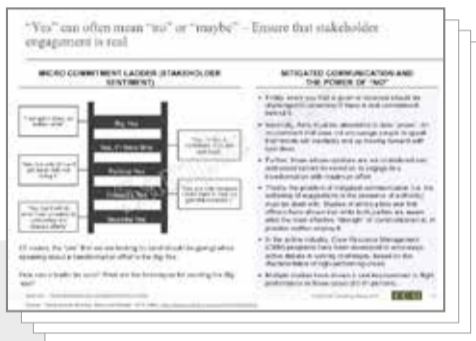
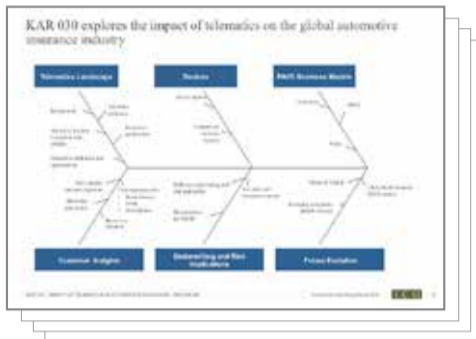
## Engage Your Peers (EYP)



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[VIEW EYP >](#)

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- References all exhibits to their original sources and lists further reading.

### Popular titles include:

- Indirect Ancillary Revenues
- Transformation Leadership
- Virtualization in Financial Services
- Pricing in Retail Banking
- Impact of Telematics on Automotive Insurance
- Bank Cost Reduction Program

[VIEW KAR LIBRARY >](#)





# Financial Services: Industry Categories


## Retail & Business Banking

### “Playing to Win: Retail Banking Strategies for Emerging Markets” – Oliver Wyman

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

This report includes a surprising amount of insight in its 28 pages, and will be of interest to consultants working across developing economies.

Oliver Wyman reviews retail banking growth across 12 emerging markets, including China, Indonesia, India, South Africa, Brazil, Mexico and several others. These countries have seen rapid growth in recent years, fueled by rises in household income and strong economic conditions. Although growth is tipped to slow over the next five years, these economies will continue to fuel a significant proportion of global growth in retail banking driven by further opportunities within digital adoption, business banking, and retail credit. Each of these are explored at some length, with a focus on the capabilities that retail banks will need to develop in these emerging markets in order to compete at both a baseline and a leadership level.

A highlight is the discussion on the various phases of market evolution, during which competition increases, consumer expectations shift, and financial offerings become more sophisticated. 



## Financial Services: Industry Categories Fintech, Disruption & Innovation

### “The World Fintech Report 2017” – CapGemini

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

This solidly researched, thematic, and well-written report provides a progress review of the FinTech revolution. It suggests the hype phase is coming to an end. The new phase is a battle for customer satisfaction in moments of truth. The scorecard is mixed, but for those FinTechs that do provide customers with a good experience, particularly on mobile, they’ve probably won them for good and turned them into advocates for trying non-traditional financial services providers. Traditional firms still have formidable strengths, but they struggle with innovation. Many are hoping that innovating outside, by partnering with FinTechs, is a way to overcome their inertia and suffocating cultures. None of this is really news, but the way this report pulls things together into themes does provide insights into how competition in financial services is evolving.

### “Bracing for Seven Critical Changes as Fintech Matures” – McKinsey

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

A much shorter echo of the themes explored in the CapGemini report alongside. If you have only 5 minutes, read this one. If you’ve time to digest richer themes with supporting data, read the CapGemini one.

## Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Synthesizes perspectives of leading consulting firms, global corporates, and boutique research houses.

[VIEW KAR 011 >](#)





## Financial Services: Industry Categories Fintech, Disruption & Innovation

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

[VIEW PDF \(21 PAGES\)](#)

A report to launch Deloitte’s preferred acronym – DLT – for what everyone else calls blockchain. Is this possibly because DLT kind of looks like an abbreviation for Deloitte? Corny if so. But seriously, this report lists and discusses applications for blockchain in financial services including: global payments, insurance claims processing, syndicated loans, trade finance, contingent convertible bonds, automated compliance, proxy voting, asset rehypothecation, and equity post-trade. If any of these applications interest you, then flick to the relevant page of the report for a high-level summary of how blockchain – sorry, DLT – can be used. [lr](#)



# Financial Services: Industry Categories

## Payments

### “Cashing in on Cashless Commerce” – AT Kearney

[VIEW PDF \(18 PAGES\)](#)

The article opens with the continuing debate about cash versus cashless payments, and forecasts the continued decline in cash use with predicted moves towards seamless payments supporting the growth of non-cash transactions.

Once past this analysis, there is a wealth of information on how the payments landscape (evidenced largely by European data, examples and expert views) is developing, making the report a Christmas and New Year must-read.

The report envisions the move to frictionless commerce and how, enabled by technology and driven by a focus on mobile, payments will become ever more seamless.

### “Future Directions in Payments: Issuer Challenges & Opportunities” – Oliver Wyman

[VIEW PDF \(11 PAGES\)](#)

A somewhat similar, but significantly thinner, piece written from a North American and largely card issuer perspective.

For seamless payments, read ‘hidden payments’... but also hidden card issuer/network brand awareness.

Growing recognition of the potential impact of alternatives to card payment rails – already established in other markets, e.g. Faster Payments in the United Kingdom – are also briefly mentioned.

A light read.

## 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.

[VIEW KAR 030 >](#)



# Financial Services: Industry Categories

## Payments

### “Banks Have a Choice: Facilitate Frictionless Commerce or Prepare for Disintermediation” – AT Kearney

[VIEW ONLINE](#)

A short piece by one of AT Kearney’s US-based partners, with his take on frictionless payments and the challenges to established retail banks from disintermediation.

In particular, the author calls out that the payments friction is largely by design – in part to thwart fraud, but also to limit non-traditional players. Taking a big bank viewpoint, he references the plethora of emerging fintech players and how their growth risks retail bank disintermediation, which is ‘bad for business’.

Another quick skim, but if pressed for time just read the first article in this section. [IT](#)

## Transformation Leadership

KAR 027



110 pages

In-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others.

[VIEW KAR 027 >](#)



# Financial Services: Industry Categories

## Corporate & Investment Banking

### “Fintech in Capital Markets: A Land of Opportunity” – BCG

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

Another consultant paper designed to kick-start the CIB sector into making changes. This one is from BSG, who are wielding the “fintech” weapon to elicit a response.

The most notable and potentially useful piece for CIB executives and their internal consultants is to be found in the appendix. It is a table, which sets out a value-chain-oriented overview of the various fintech categories. A good place to start, if you are in CIB and need to get smart quickly, on the fintechs that are out there and could help you. [lr](#)

### Transformation Leadership

KAR 027



110 pages

In-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others.

[VIEW KAR 027 >](#)






## Financial Services: Industry Categories Wealth & Asset Management

### “How Impact Investing Can Reach the Mainstream” – McKinsey

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

**S**hort and insightful article about the challenges faced by fund managers in the impact investing sector as they struggle to deploy increasing capital mandates. Recipient companies are hard to find and are generally not ready put large amounts of capital to work, and the large number of frameworks required to evaluate companies across causes is confusing for investors. In short, the industry needs shared standards and language for measuring its impact. This article discusses the attributes of a more mature impact investing market, along with steps fund managers can take to accelerate their adoption. Important reading for impact investment managers, philanthropic organizations, and consultants to this growing sector. 

### The Future & Implications of the Evolving Payments System

KAR 017



90 pages

Provides a broad view of the evolution of the global payments environment and its implication on the key stakeholders in its various jurisdictions.

[VIEW KAR 017 >](#)



# Financial Services: Functional Categories Strategy & Transformation


## ARTICLE OF THE MONTH

### “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). 



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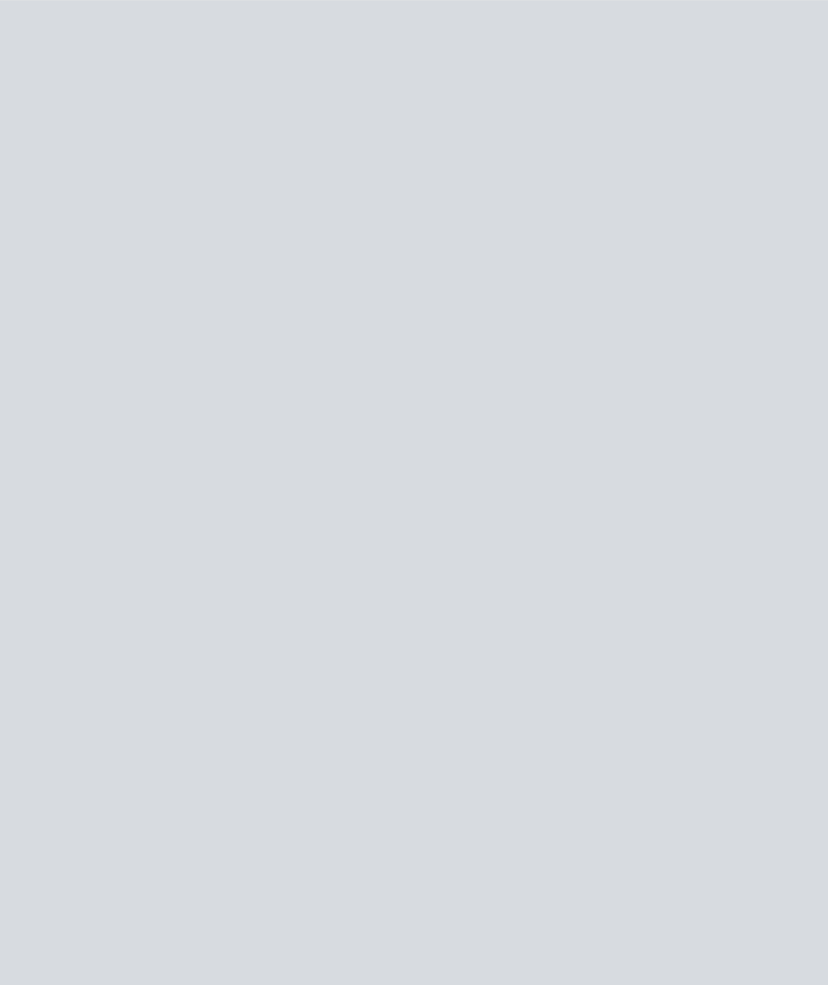
## Financial Services: Functional Categories

Corporate Finance / M&A

### “The Real Deal on M&A, Synergies, & Value” – BCG

[VIEW PDF \(7 PAGES\)](#)

A short analytical recap of the thorny issue of valuing and realizing synergies in M&A. As with everything BCG does, the analysis is rigorous and quantitative. The conclusions, however, are not particularly insightful: don't pay too much in the first place, manage shareholder expectations, and do good post-merger integration to capture the synergies (with BCG's help, of course!). Worth reading for the numbers. 



## Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses

KAR 032



106 pages

Covering the Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses.

[VIEW KAR 032 >](#)





## Financial Services: Functional Categories Corporate Governance

### “The Evolving Role of the Chief Data Officer in Financial Services” – Deloitte

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

As organizations discover that they need to pro-actively and effectively manage their information assets at the enterprise level, this Deloitte report explores the evolving role of Chief Data Officers in the global financial services industry, and how that role is transforming from senior data marshal and steward to strategic business-enablement leader and innovator.

A useful article that at times reads like a sales pitch for consulting services. [lr](#)

### Confidential Market Sounding (CMS)



Improves understanding of the external environment by recording the appetites and views of external stakeholders.

[VIEW CMS >](#)



# Financial Services: Functional Categories

## Human Capital

### “The Gig Economy: Transforming the Workforce” – EY

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

EY conducted a workforce study to examine if the “gig economy” is here to stay. They confirm that it is.

One key statistic is that by 2020, 33% of large employers (>100,000 employees) expect to be using 30% or more contingent workers. Another EY survey (of these contingent workers) found that 52% of them would prefer not to work full-time. Yet challenges around work-place status (vis-à-vis permanent, “properly” employed persons) health care and pension security continue to exist. Further, they are unlikely to go away soon due to required changes in political thinking.

The most relevant statistic for our readers is that “34% of organizations don’t have confidence in their ability to improve talent management related to contingent workers.” So it’s time to become creative – and to look fundamentally at the entire talent life cycle.

Although the article is long on (very good) insights, it does not provide many solutions. In this instance, that is not a criticism – it’s an important eye-opener to Chief Talent Officers. When reviewing this article, focus on the statistics – and decide how you choose to tackle this in your own organization. **lr**

# INTERNAL CONSULTANTS WORKBENCH (ICW)

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- Dozens of macros and productivity and learning tools
- Customizable to other brand standards for a modest fee.

[MORE INFORMATION >](#)



## Financial Services: Functional Categories Technology

### “Making Data Analytics Work for You: Instead of the Other Way Around” – McKinsey

[VIEW PDF \(13 PAGES\)](#)

In the present outcome-based digital economy, there is no doubt that big data and advanced analytics are significantly contributing to propelling businesses to the next level. Industry looks with admiration at how Google, Amazon, and others have eclipsed competitors with powerful new business models that derive from an ability to exploit data. Across industries, “big data” and analytics are helping businesses to become smarter, more productive, and better at making predictions. We have also seen how traditional companies have transformed their business model using data to be business outcome companies. One such example is GE.

While there are clear benefits, it is very important to concentrate on targeted efforts to source data, build models, and transform the organizational culture. Such efforts help to build superior capabilities and will become a decisive competitive asset.

This article describes eight critical elements that contribute to greater insights regarding how to become an intelligent, data-driven organization. Overall, it is a good article worthy of your reading time.

### “Building Blocks of the Future” – EY

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

Blockchain is an extraordinarily fast-moving phenomenon. It is impossible to know with certainty how this technology will be adopted across industries, since adoption of this technology is currently less than 1%.

There is no doubt blockchain has the potential to transform our economy by removing duplication of effort and unnecessary processes, guaranteeing greater integrity of data, simplification of ecosystems, empowering users, and overall delivering a more efficient and more secure way of doing business than ever before – while also providing a lower cost of operations.

This reviewer agrees with the authors: we need to overcome several challenges before companies can take full advantage of blockchain’s potential. These challenges include: technology and organizational processes not being matured enough, cultural adoption representing a complete shift to a decentralized network which requires the buy-in of its users and operators, unclear legal and regulatory frameworks, integration with legacy systems, and, finally, the high initial capital costs which could be a deterrent.

While companies focus on creating a competitive advantage, it is very important that they keep a close eye on blockchain.

The article provides very high-level, somewhat generic information – but given the importance of the topic, we recommend at least a quick skim.






## Financial Services: Functional Categories Technology

### “Building a Better Customer Insight Capability” – BCG

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

**W**ith stiff competition to retain customers, build brand loyalty, and attract new business, institutions are sharpening their focus on the customer experience to set the stage for success, optimize along the way, and build sustainable business value. Yet at the same time, we have seen companies struggle to capture and integrate strategic decision insights into their core business.

Given the significant of capturing and acting upon the customer insight, we commend to you the article’s eight characteristics on how to turn the huge amount of static into business reality, using best practice examples and industry-specific case studies. At only 9 pages, it is a quick and worthwhile read. 

### Virtualization in Financial Services

KAR 015



75 pages

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

[VIEW KAR 015 >](#)



# Financial Services: Functional Categories Operations & Change

## “How Frontline Leaders Can Deliver Breakout Performance” – BCG

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

BCG provides a detailed reminder for executives and HR managers of the value of front-line managers, the need to train them for effectiveness as they transition into their new role, and some suggestions as to priorities and style of learning. A helpful reminder for an often under-invested/under-developed resource!

## “Transformation with a Capital T” – McKinsey

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

McKinsey’s article provides six elements to drive a successful large-scale business transformation. They rightly highlight CEO leadership as the most important, including their assertion that “Executives embarking on a transformation can resemble career commercial air pilots thrust into the cockpit of a fighter jet.” From that point, it is clear that fighter pilots need read no further – they already know how to dogfight their way through. So it is not clear who the rest of the article is targeted at – other consultants or, perhaps, activist board members?

A major strength of the article is to promote the role of “Chief Transformation Officer” – too often this role is played by outside consultants who lack the moral authority to be part of the organization leadership team, undermining the organization’s ability to embrace the need for change and scope of transformation. Overall, a useful article for pilot trainers. **lr**

## Post Implementation Review (PIR)



Helps identify issues early and keep projects on track during implementation. We also help with objective assessments past “go-live”, stakeholder alignment and extraction lessons learned.

[VIEW PIR >](#)



# THE INSIGHTS REVIEW

FINANCIAL SERVICES EDITION

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## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS





## Financial Services: Articles of the Month

The Best Insights of the past 12 months

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.

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.





## Financial Services: Articles of the Month

The Best Insights of the past 12 months

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’.

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’.



## Financial Services: Articles of the Month

The Best Insights of the past 12 months

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.

MAY 2016

### “BCG Technology Advantage” – Deloitte

[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!



## Financial Services: Articles of the Month

The Best Insights of the past 12 months

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’.

MARCH 2016

### “Blockchain-Enabled Distributed Ledgers: Are Investment Banks Ready?” – Accenture

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

Excellent article by Accenture, hones in on the CIB as the sector to lead the charge to redefine the operations and economies of the financial services industry via the development of blockchaining technology. As such, this is an article of relevance to all in financial services and not only those interested in CIB.

In the context of capital markets the benefits of blockchain technology are clear and appealing and include:

- Faster settlement times that are user optimized
- Lower collateral requirements and counterparty risk
- Improved contractual term performance
- Greater transparency for regulatory reporting
- Better capital optimization.

However, the challenges are myriad and in the topic areas of: privacy, security, scalability, latency, implementation and governance. Notwithstanding these, a timeline is posited with 2016-17 the period for early adopters.

As the title probes, “Are Investment Banks ready?”.



## Financial Services: Articles of the Month

The Best Insights of the past 12 months

MARCH 2016

### “Is Gender Diversity Profitable? Evidence from a Global Survey” – IIE

[VIEW PDF \(35 PAGES\)](#)

The Peterson Institute for International Economics has sponsored global research into gender diversity. The authors present a compelling case for scrutinizing the benefits of gender diversity.

In their Working Paper Series which surveys 22,000 companies from 91 countries worldwide, they challenge the assumption that gender diversity automatically equates to improved business performance.

Their findings reveal a complex picture of global comparisons worth examining in detail. For example, they find no impact of board gender quotas on business performance. However, they do find significant payoffs of policies that facilitate women rising through the corporate ranks that contribute to women's leadership roles.

If you want to educate yourself about statistically significant issues in the gender diversity conversation globally, then you should read this article carefully.

FEBRUARY 2016

### “Revealing the Chief Strategist’s Hidden Value” – Roland Berger

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

Roland Berger continues to impress with this authoritative and nicely produced JV insight with the University of St Gallen.

Drilling into the role description and measurement metrics of the chief strategy officer, Roland Berger finds more coordination and use of externals than you might expect – along with very poor means to measure effectiveness of people who are in the role for very short tenures. The report also includes some basic benchmarking data on size of internal strategy teams.

A shame the authors didn't look at how best practice strategy teams and their clients are augmenting their own capabilities with fit-for-purpose unbundled components from the global ICG platform.





## Financial Services: Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2015 – JANUARY 2016

### “Beyond Bitcoin: Blockchain is Coming to Disrupt your Industry” – Deloitte

[VIEW PDF \(11 PAGES\)](#)

**A** billion dollars in venture capital has flowed to more than 120 blockchain-related start-ups, with half that amount invested in the last 12 months.

This is just one of the insights in a very interesting article about developments in blockchain, which covers not only the potential impact for traditional payments, but also touches on some of the potential applications across multiple industries as diverse as Telecommunications, Healthcare and Energy.

A worthwhile and thought-provoking read for almost every reader of *The Insights Review*.

DECEMBER 2015 – JANUARY 2016

### “Tomorrow Never Dies: The Art of Staying on Top” – BCG

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

**A** timely, important, and ‘in-character’ refresh of Henderson’s original BCG-founding framework.

The key insight is that in the 60s you could use market share scale to gain cost advantage. In 2016, you can’t afford to just milk large cows; the most rewarded companies are ones that milk cows and find new stars at the same time.

The advice to internal consulting teams reads like a laundry list driven more by the availability of archetypal case studies than a collectively exhaustive suite of actions, and includes:

- Portfolio component strategy needs to be aligned to its specific sector maturity level;
- You need a good star-search program (emergent test, learn, and expand)
- Our favorite: explore ways large incumbents can use their considerable resources to shape industry evolution and set the rules of the game, especially in new ecosystem plays;
- The need to milk and star-search at the same time – be ‘ambidextrous’; and
- One which is fuzzy but is a mix of how leaders tell a complex strategy story with some coherence and the way they help staff deal with the mild confusion of all of the above simultaneously.

Exhibit 4 is a stand out strategy framework and one to add to every internal consultant’s tool kit.

A must read for internal strategy teams.



## Financial Services: Articles of the Month

The Best Insights of the past 12 months

NOVEMBER 2015

### “European Motor Study: Ready for the Customers’ Switch?” – Deloitte

[VIEW PDF \(30 PAGES\)](#)

Whilst European focused – which is a massive combined market for motor insurance – this is one of the best pieces around customer behaviors, with rich case studies, seen for some time.

Whilst the perennial digitalization messages and the need for focus and execution are also referenced, the power of this article is the richness of demographic and behavioral study. Telematics and other well-covered motor topics are not a focus here.

The context of market sizes for countries, the marginal profitability, and the low growth rates set the scene and highlight the need for differentiation of offerings (particularly given the greater propensity of customers to shift) alongside a need for sharper delivery focus.

A great read for Internal consultants and C-suite alike, given the status of motor business in most (European) countries.

OCTOBER 2015

### “Global Payments 2015: Listening to the Customer’s Voice” – BCG

[VIEW PDF \(31 PAGES\)](#)

The best payments article we have reviewed in 2015, an excellent and insightful report produced by BCG with support from SWIFT.

The multi-faceted report starts by focusing on global transactional banking revenues predicting that they will grow from USD1.1 trillion in 2014 to nearly USD2 trillion by 2024, with growth driven by a combination of account, transaction, and non-transaction card revenues.

Once past the revenue analysis, there is a comprehensive regional review of market dynamics (pages 7 to 10) that provides a thoughtful digest of developments across the globe – including some great insights into what is happening in China and India.

The report also references a 5,500 consumer survey conducted in France, Germany, the United Kingdom, and U.S. that seeks to identify barriers to digital adoption.

Finally, pages 19-25 focus on Wholesale Transaction Banking developments, rarely reported with this level of insight and advice.



## ***The Insights Review – Financial Services 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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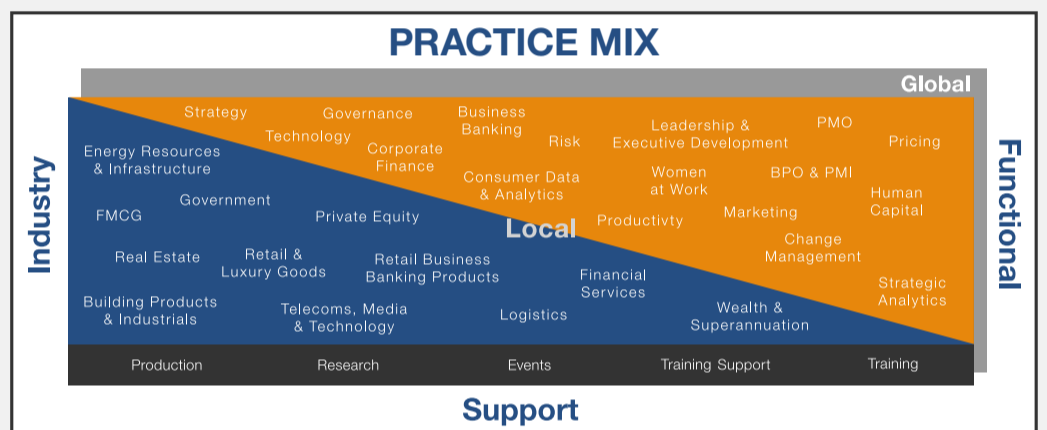
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

## MEASURABLY IMPROVE BUSINESS IMPACT BY COMBINING COMPONENTS ACROSS 5 PLATFORM PILLARS

|                          |   |                            |                         |                                     |                           |                             |                                  |                            |                               |                                    |
|--------------------------|---|----------------------------|-------------------------|-------------------------------------|---------------------------|-----------------------------|----------------------------------|----------------------------|-------------------------------|------------------------------------|
|                          | <b>1 PROFESSIONAL LABOUR</b>              | <b>2 PUBLICATIONS</b>      | <b>3 METHODS</b>        | <b>4 LEARNING &amp; DEVELOPMENT</b> | <b>5 SERVICES</b>         |                             |                                  |                            |                               |                                    |
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