



THE INSIGHTS REVIEW

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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 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:

- ACC
- 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,

There are some great insights for our readers in this combined issue, with digitization and digital transformation being standout themes. Some of the better articles this month provide innovative case studies of insurance value-adds, new Internet of Things technology, and digital business model innovation.

However, our Article of the Month is a deserving winner from BCG. It will help our readers and their internal consulting teams understand what deep tech start-ups want from their corporate partners – essential reading as you build out your corporate ecosystem.

[“What Deep-Tech Startups Want from Corporate Partners” – BCG](#)

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: Gopal Sondur | CEO Stockholm HUB & Strategy Practice Leader | [Contact](#)

“Three Snapshots of Digital Transformation” – McKinsey

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

Snapshot 1: The example highlights the impact of fintechs on products and services in banking, stating that incumbents will either have to compete head-on or use their financial muscle to move into adjacencies. However, there is growing awareness of a symbiotic relationship between bank and fintech. Research shows that banks and fintechs are seeking to identify partnerships with the opposite camp. The resultant outcome might be ‘open source banking’ where banks can play the same role for fintechs as systems integrators do in engineering – bringing together different products and services.

Snapshot 2: Whether it is supply chain integration, automation, re-configuration or analytics, every aspect of SCM is up for digitalization. There are several digital levers worth investing in and the example of machine learning in this snapshot is just one such lever.

Snapshot 3: While there may be exceptions to the rule, Pharma companies have been just wetting their feet in the digital waters. It is time to take the plunge. The industry is at a tipping point and must embrace a ‘digital first’ approach. This snapshot highlights the situation.

The article (embedded links to detailed articles) is an easy read for managers involved in digitalization.

“Digital Without Disruption: Why Some Companies are Failing to Fuel Growth” – Accenture

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

Bruce Rogers, the Chief Insight Officer at Forbes, recently wrote that 84% of companies fail at digital transformation. This begs the question: “what must companies do to be part of the 16% that successfully digitally transform?” This article by Accenture addresses that question.

Digital currently represents one of the biggest challenges for any company anywhere, because the rules keep changing. This means working on staying ahead of the technology curve, and this requires an innovative attitude.

The key is to stay ahead of the customer’s expectation so you can digitally serve them more effectively – this is what the modern digital customer expects. According to Gartner, 89% of marketers now expect to compete on customer experience. Therefore, becoming customer-centric is a key tenet of digital transformation.

“Don’t implement digital transformation in a siloed manner, but consider the end-to-end value chain” the article stresses. Digitization is more than just a change of tools and more than just generating cost savings. Successful digital transformation occurs through continuous innovation – by radically changing business models and capabilities in measured steps and in a holistic manner.

This is an easy-to-read article with a profound message. A must read for digital transformation managers. **lr**



Cross-Industry Functional Topics

Extended Enterprise & Joint Ventures

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

ARTICLE OF THE MONTH

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

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

“Deep-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. **lr**




Cross-Industry Functional Topics
Corporate Finance / M&A

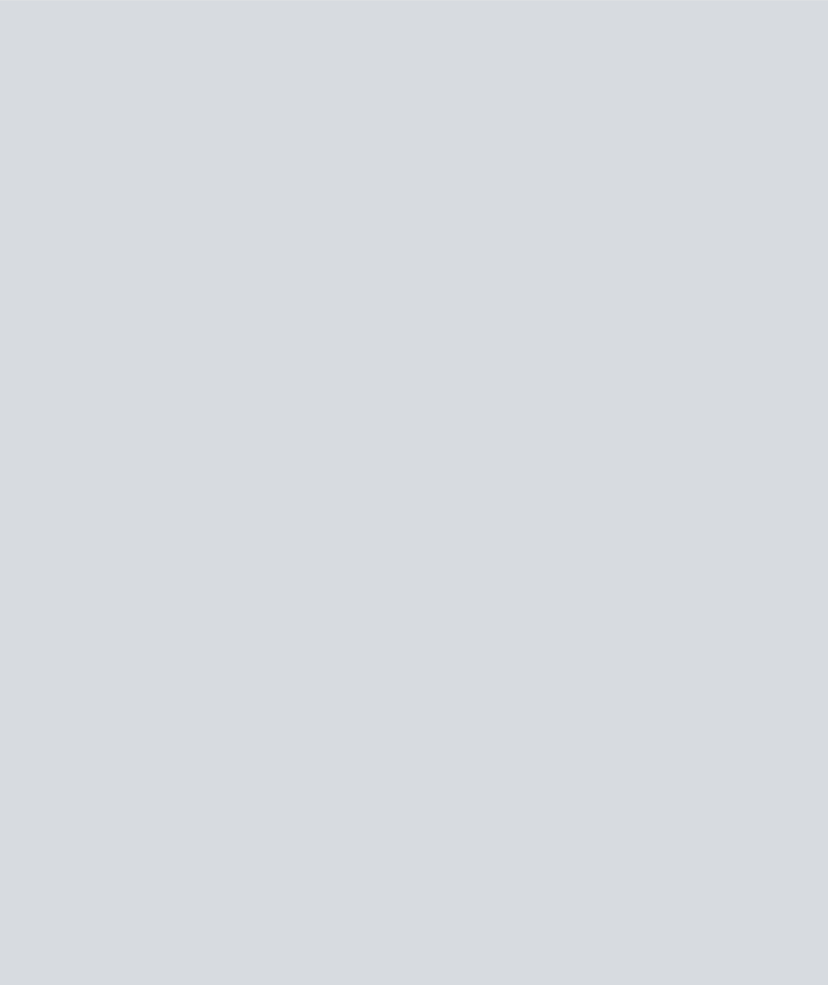
Reviews by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

“Capitalizing on the New Golden Age in Private Equity” – BCG

VIEW PDF (11 PAGES)

BCG provides an overview of the forces driving the growth of PE funds (both in size and number), the divergence between the mega funds and their smaller brethren, and the changing relationship and power balance with their LP investors. It discusses things PE funds can do to improve their chances in the increasingly competitive market for deals, where their LP investors, large sovereign wealth funds, and corporate M&A departments are all fishing in the same pool. In short, PE managers will need to apply the same value creation focus to themselves as they apply to their investees.

The article essentially presents a good list of self-improvement ideas for PE fund managers. 



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 >



Cross-Industry Functional Topics

Regulations & Public Affairs

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

“Is Open Banking an Opportunity, “Asset Managers Face Rising Regulatory Scrutiny” – BCG

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

With the Payment Services Directive 2 (PSD2), banks are required to provide access to their data via standardized Application Programming Interfaces (API). The directive aims at creating open banking.

In BCG’s article with Banca Sella Group’s CEO Pietro Sella, he explains that open banking creates opportunities since third-party providers can provide different services, offer flexibility, and increase speed for release of new products/services. In order to thrive in such an environment, banks must open their platform, utilize agile methodologies, and cooperate with external stakeholders. Sella also explains that open banking creates competition, e.g. third-party providers could offer a product which aggregates all client accounts in one place resulting in an overall view.

The article is a recommended read for all functions involved in setting strategic objectives and business modelling.

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

In this excerpt of the Global Risk 2017 review, BCG emphasizes that asset managers will face increased regulations. First examples are UCITS, AIFMD, MiFID II and SEC rules. The intention of the regulations is to decrease systemic risks, enforce prudent liquidity management, and limit the use of derivatives for leverage.

While these regulations have been or are about to be released, some asset managers may still identify gaps in their management framework of risks associated with liquidity, leveraging through derivatives, stress testing and/or reporting. In order to be prepared, BCG recommends analyzing applicable regulations, conducting a gap analysis, and creating a remediation plan based on a target framework covering governance, processes, data, and systems. Key to all this is the successful implementation of the target framework.

The article is a recommended read for asset managers who are currently reviewing their compliance framework, and seeking some additional insights regarding how best to respond to expected regulations. **lr**



Cross-Industry Functional Topics

Human Capital

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

“Leading a Corporate Transformation” – McKinsey

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

The article’s by-line is “Lessons from an executive who has done so three times in the past dozen years.” McKinsey’s well-done interview with a seasoned executive from Central Europe does a very nice job of highlighting what matters in a corporate transformation.

The authors don’t quite do justice when they describe the insights gained from this interview. No reader of *TIR* will be surprised that quick results and data-based decision-making are important.

Mr. Tomašković remains more insightful than that. He emphasizes the importance of trust in the top team (he replaced board members who he suspected of wishing to protect the status quo or justify past decisions), and different perspectives (in one transformation, only one-third of all managers retained their position to get a new look at the business).

As to information based on data, he offers that only after substantial time in the industry (20-plus years) can an executive afford to infuse “soft factors” into analytics-based decision-making.

The interview is not a cookbook for leading a transformation, however no executive who is at the beginning or the middle of one will want to ignore this CEO’s words of experience.

“Harnessing Revolution: Creating the Future Workforce” – Accenture

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

Accenture surveyed ca. 10,000 workers in ten countries to help understand what is behind our future work force. Loyal readers of *TIR* will recognize the plethora of studies currently underway by all major firms; Accenture’s contribution is pithy and to the point.

The study posits that companies must get three things right. First, accelerate the re-skilling of its workforce to understand how intelligent technology can help their business and to become “digital architects” themselves. Second, change the labor force to cope with the gig economy (this is not new, yet most companies are still figuring out the “how”). Third, collaborate with academia, government, and other organizations to get the best talent at its source.

It is a worthwhile read for any Chief Human Resource Officer. CEOs can skip to the summary on page 22 and quiz their CHRO on what s/he is doing about these. **lr**

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Cross-Industry Functional Topics

Risk & Compliance

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

“Optimizing Risk & Insurance Management for Tomorrow’s Challenges” – Capgemini

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

Capgemini argues that technological innovation resulting in smart and connected systems not only *increases* risks, but may create new risks for organizations. In addition, globalization, business fragmentation, and increasing regulations across multiple jurisdictions results in rising complexity, challenging established risk management frameworks.

Taking these trends into account, the article suggests that organizations need to optimize their risk management, focusing on pro-activity, speed, and resource optimization. By leveraging professional services, an organization could address capability, resource and data constraints.

While professional services can support and enhance risk management in an organization, the article does not elaborate on risks and increasing complexity when parts of such a critical function are outsourced/ offshored. The article is recommended for interested parties that face capability, resource, or data constraints and have a sophisticated outsourcing/offshoring management framework in place to comply with applicable regulations.

“Global Risk 2017: Staying the Course in Banking” – BCG

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

Based on BCG’s Global Risk 2017 review, economic profitability is on rise for North American banks. Their European, Asian, and South American counterparts appear to still struggle with too-high costs. These costs are partially driven by the increasing number of regulations and their inherent complexity to establish them in an organization.

The article emphasizes the importance of regulatory management and close interaction with regulators. It is recommended to involve steering functions in cost management. Additionally, strategic plans and operating models need to be adjusted to accommodate new requirements. It is further recommended to utilize technological innovation and leverage Fintech and Regtech capabilities.

The article and underlying report is a recommended read for risk functions looking for high-level analysis of regulatory trends and possible solution approaches. Further readings are required about risk profile changes when leveraging Fintech/Regtech capabilities. **lr**



Cross-Industry Functional Topics Technology

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

“Finding Europe’s Edge in the Internet of Things” – Bain

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

An interesting article that compares European and US companies’ attitudes with regards to IoT.

Bain alerts readers that, as with many other new technologies (mobile phone, electric cars, etc.), although the EU is currently ahead of the game in its approach, adoption and deployment of IoT, the US might end up reaping off its benefit if the EU does not scale fast enough. It is the usual conundrum of first mover advantage versus fast follower at scale.

It is a well-written five-page article that spends just the right amount of time to support the survey findings and conclusions. The key takeaway is this: once you’ve decided the “why” and the “when” IoT, do it at pace.

“Innovation Nation: Helping to Optimize Your Business Operations” – Capgemini

[VIEW PDF \(91 PAGES\)](#)

A pure marketing brochure for the new Capgemini Digital, Robotic, outsourcing practice. Sensibly avoided.

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 >](#)



Cross-Industry Functional Topics

Technology

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

“Liberating the Supply Chain Workforce” – Accenture

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

This article provides a clear three-step approach for supply chain companies willing to seize the opportunities that lie within their industry, which has been liberated by the advent of the latest technology.

We particularly like the re-use of the simple but powerful equation $H+M = X$ (Human + Machine = multiplier effect). It was true for the previous technology shift, and it is still true now.

The tone of the article is (deliberately) positive and recommends companies embrace the change by investing not only in technological innovation, but also in new and non-traditional skills for their workforce (like intrapreneurial talent).

Though focused on supply chain, this article is true for many industries and could be valuable for any CxO and HR lead. **lr**



Cross-Industry Functional Topics Operations & Change

Reviews by: Marc Potter | ICG Practice Leader Operations & Change | [Contact](#)

“Contract Management: In Tech We Trust?” – Capgemini

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

A very basic primer on the potential complexity of centralized contract management in large organizations – it almost provides a counter-argument for scale efficiencies from shared services, but then describes some simplifying strategies that should be helpful.

“The Devil is in the (Product Data) Details” – Capgemini

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

A very helpful article on the complexity of online retailing and product information, in a situation where information standards between manufacturers and retailers don't exist. The article usefully explains the case for change, current pain points, and rectification strategies. It also discusses further value-added product information and IT-based solutions to automate the capture and presentation. Lacking industry standards, it is evident large-scale retailers will have the upper hand in managing this complexity. [lr](#)

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Cross-Industry Functional Topics Innovation & Disruption

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

“Stepping off the Crazy Train” – Accenture

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

A light doomsday piece on the imperative for large companies to do more than incremental innovation. They need to be more agile, and leverage the internet and software platforms to improve customer experience and build innovative ecosystems involving other firms. You’ve heard or read it all before.

“The Firm of the Future” – Bain

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

Bain presents a brief history lesson on how theories and beliefs about firms have evolved. They discuss challenges facing firms in the current era, and how the best are responding. The authors then present glimpses of the firm of the future, and what management’s role will be. A thoughtful article that poses questions rather than prescribing solutions. Worth reading. **lr**

Impact of Telematics on Automotive Insurance

KAR 030

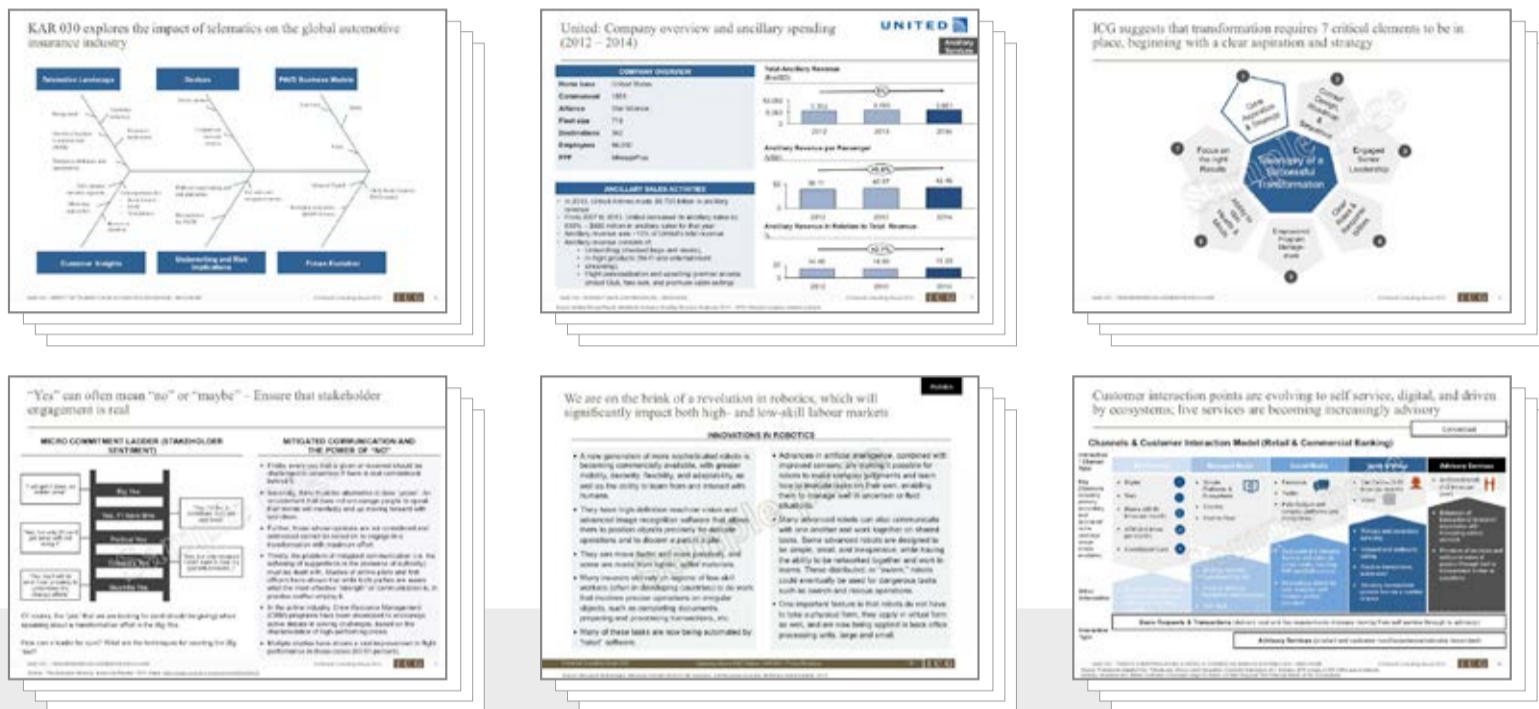


98 pages

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

[VIEW KAR 030 >](#)

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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

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Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Retail & Business Banking](#)
[Fintech](#) | [Corporate & Investment Banking](#) | [General Insurance](#)



Industry-Specific Topics

Macro Financial Services

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

“Piling Off the Pounds in Financial Services” – Accenture

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

C-Suite level insight on the need to go on a crash diet while also moving to a sustainably healthy lifestyle. These metaphors are used to segment many of the traditional cost levels, such as Procurement and Zero-Based Budgeting.

Laudably, Accenture also includes some new levers in their healthy life style section: Creating Industry Utilities and Liquid Labour.

This article will prove useful for internal consultants who are new to cost management and want some general concepts. All others would be better off elsewhere, especially ICG’s own Knowledge Area Review (KAR®), which synthesizes all such articles available on our web site [here](#).

“The Currency of Trust: Why Banks & Insurers Must Make Customer Data Safer & More Secure” – Capgemini

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

A timely and useful insight on cyber security threats and prevention from both an institution and a customer lens.

While there is plenty of scaremongering, there are also a lot of useful insights, benchmarks, and articulations of better practices from respondents and Capgemini itself.

Worth skimming as a general primer and will supply some useful data and benchmarks for internal consultants.



Industry-Specific Topics

Macro Financial Services

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

“Killing Complexity Before Complexity Kills Growth” – Bain

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

Short and sweet insight/advertorial which tells the story of founder-driven organizations being successful until they ‘stall out’ because of layered complexity. The article provides a useful starting approach for internal consultants to use for organizational simplification, as well as a high-level case study. **lr**

Engage Your Peers (EYP)



Harnesses ICG’s international network and research capabilities to provide a structured approach to introducing organizations in one country to their non-competing peers

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Industry-Specific Topics

Retail & Business Banking

Review by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)

“The Digital Reinvention of an Asian Bank” – McKinsey

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

With Singapore’s DBS Bank having recently been named by Euromoney as the world’s best digital bank, this article features an interview with the bank’s highly regarded CEO, Piyush Gupta, on the digital journey undertaken by that organization over the past five years.

Gupta outlines some of the key milestones along the way, such as the early establishment of innovation teams, the introduction of cross-functional “hackathons”, office redesign, and KPI realignment around the digital imperative. This is a refreshing and easy-to-read piece, showcasing the thinking of a true innovation leader, and should be of interest to digitally-focused executives and internal consultants.

“Reinventing Retail Banking” – AT Kearney

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

Following a similar theme, digital executives will enjoy this concise article that strongly promotes the case for banks to increase the pace of digital transformation across the organization. While all retail banks are now implementing a digital strategy, very few have actually captured any sustainable commercial value from this investment. The authors cite multiple reasons for this –including the tendency of banks to push one-off and piecemeal solutions, rather than drive all-encompassing transformation. To become truly successful, banks must see digital as a new way of operating, and be prepared for digital to drive their corporate strategy. [lr](#)



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Industry-Specific Topics

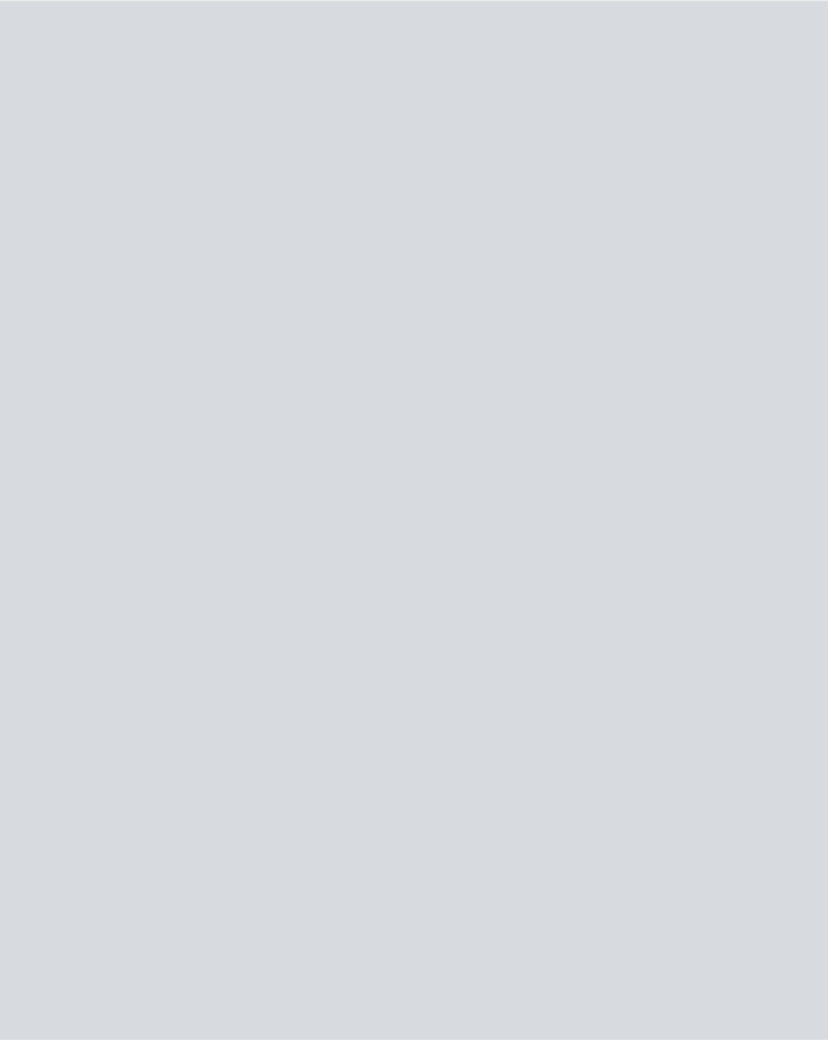
Fintech

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

“The Pulse of Fintech Q1 2017” – KPMG

[VIEW PDF \(69 PAGES\)](#)

A data and charts-rich survey of VC, PE, and corporate investment/M&A activity and trends across fintech, with separate analyses of the US, Europe, and Asia – including breakouts for China and India. Rarely seen and useful details on deal sizes and valuations by stage are also included. A notable trend immediately apparent from the wealth of charts is the drop off in VC and PE investment after peaking in 2015, whilst corporate investment activity has been steadily building. A useful reference for anyone involved with or investing in fintech. 



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 >](#)



Industry-Specific Topics

Corporate & Investment Banking

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

“Global Capital Markets 2017: Mastering the Value Migration” – BCG

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

This is BCG’s latest report on the improved performance of the capital markets ecosystem. It highlights that while investment banks’ revenues fell for the fourth consecutive year – albeit at a slowing rate – the drivers of growth are the information providers and exchanges.

These two categories of firms have both leveraged technology to a greater extent than others in the ecosystem, and the report features that TSR is positively correlated with a digitally-talented workforce. This prepares the way for the pitch, which at its centre is the need to formulate a digitally-oriented operating model. That is unlikely to be a new concept to regular readers of this section of *The Insights Review*, but the report is worth skimming and pausing on Exhibits 1 to 5 for a broader picture of the current and recent past landscape. **lr**



Industry-Specific Topics

General Insurance

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

“Identifying Disruptive Opportunities in Insurance Distribution” – Accenture

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

One of the better survey-based insights we have seen. Accenture has profiled over 30,000 insurance customers across 18 countries. The authors create three useful archetypes – Nomads, Hunters, and Quality Seekers – then share some very useful research insights that will be helpful to all internal consultants working at insurance firms.

The article ends with a summary of actions based around new distribution models: virtual advisor, the everyday risk coach, the plug-and-play insurer, the ecosystem orchestrator, and the P2P network operator.

A solid article for all insurance executives and their internal consultants.

“Digitalization in Insurance: The Multibillion Dollar Opportunity” – Bain

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

Bain & Company partner with Google’s financial services team to isolate the seven disruptive technologies impacting insurance (think online sales technologies and machine learning as examples). They then use these trends to highlight the massive savings available from radical cost out transformation driven by digitization, and illustrate this via a helpful case study.

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 >](#)



Industry-Specific Topics

General Insurance

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

“Insurance Reinvented: Value-Added Services” – Capgemini

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

Classic Capgemini – an overly long report, but with ‘good to great’ framing and some excellent case studies on how insurance companies are adding value via ecosystem build-outs.

Case studies are worth a skim for all internal consultants and insurance executives.

“The Promise of IoT in Commercial Insurance” – AT Kearney

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

Fascinating for the number of new IoT technologies coming to maturity, such as wearables, drones, posture devices, activity trackers, and ground truth data collectors.

The article does a great job of highlighting some of the complexities caused by adoption, and the potential created by new product innovations and value-added services. **lr**

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

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).

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’.



Articles of the Month

The Best Insights of the past 12 months

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 blockchain 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?”.

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.



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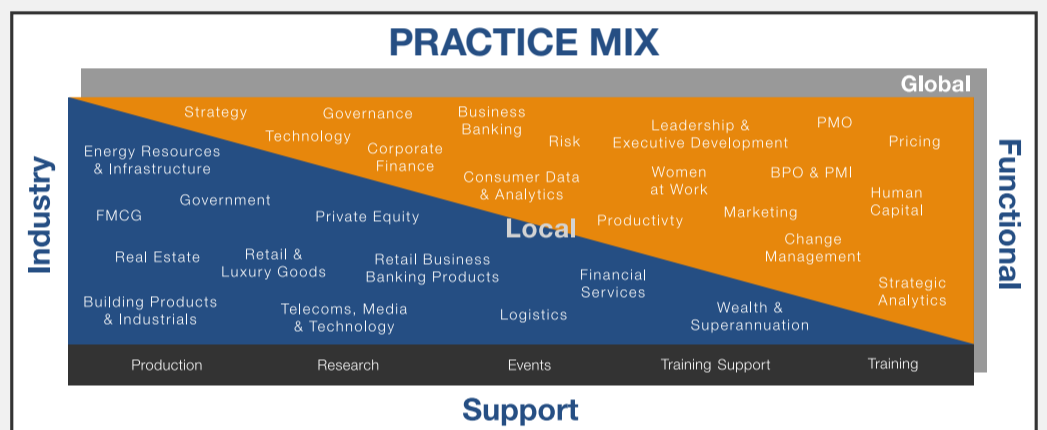
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

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