

October 2014

The . Insights Review

Financial Services Edition

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Featuring:

- General Strategic Interest
- Retail & Business Banking
- Corporate & Institutional Banking
- Wealth & Asset Management
- Insurance

- Strategy & Transformation
- Corporate Finance / M&A
- Regulation & Compliance
- Corporate Governance
- Human Capital

- Finance & Risk
- Marketing & Customer Experience
- Operations & Change
- Strategic Analytics
- Technology

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About this Report

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

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

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

Access to Full Reports

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

Links are current at time of publication.

Insight Sources

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

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

A Message From the Editor

This month we welcome a new reviewer to our team, Vimpi Junega, Practice Leader Business Banking, who will be assisting with strategy articles and those which relate to business banking or overlap with retail or corporate banking – a warm welcome Vimpi.

October is a traditionally rich month for new insights and this month is no exception. As always, we hope our team saves you time, directing you to read only high quality and relevant material. Our picks from the major houses this month include:

- AT Kearney – “IT’s Challenge: Bringing Structure to the Unstructured World of Big Data”;
- Accenture – “A Comprehensive Approach to Managing Social Media Risk”;
- Bain – “Winning Operating Models for Global Insurance Companies”;
- BCG – “Evolution & Revolution: How Insurers Stay Relevant in a Digital Future” (which is our well-deserving ‘Article of the Month’);
- Capgemini – “Stress Testing & Capital Planning: Principles, Program Elements & Common Challenges”;
- KPMG – “A New Vision of Value: Connecting Corporate & Societal Value Creation”;
- McKinsey – “What Strategists Need: A Meeting of the Minds”;
- Promontory – “Optimizing Compliance Staffing”;
- Roland Berger – “Choosing Clients Strategically: A Comprehensive Guide to Profitable Growth in Banking”; and
- Towers Watson – “The World’s 300 Largest Pension Funds – Year-end 2013”.

We trust you will enjoy this month’s edition and welcome any feedback you may have on the publication at: david.moloney@internalconsulting.com.

David Moloney

Global Editor

GENERAL STRATEGIC INTEREST

“A New Vision of Value: Connecting Corporate & Societal Value Creation” – KPMG

[View PDF \(116 Pages\)](#)

Compelling work from KPMG, presenting an insight that meets the need of the head and wallet as well as the heart. The core economics concept they bring to life is that of externalities being internalized back to companies in the form of regulation and stakeholder pressure and new market dynamics – all of which is used as the basis for the report and a methodology to promote alignment.

Table 4 is a useful table of new measurement tools designed to help with alignment. Overall, a very helpful new insight and tool for internal consultants and their clients.

“Management Intuition for the Next 50 Years” – McKinsey

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

A joint effort by the McKinsey Global Institute and their own Strategy practice to make the call that the pace of change is about to hit another major inflection point.

Out of all of the mega trends, they pick three that are most profound and make the insight that the degree of change from each of the three is high and coincident.

The three mega-trends are, predictably: Technology, The migration of economic activity to the East, and The Shrinking work force driven by low birth rates and longevity.

Reading a lot like an *Economist* article with three charts and lots of sound bites and soothsaying, it also feels like a rehash of articles to get extra leverage from other materials.

Worth a skim only.

KAR – Best Practices in Relationship Management

Best Practice Relationship Management across Financial and Non-Financial Services • 113 pages.

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“Threats to the Financial Services Sector” – PwC

[View PDF \(24 Pages\)](#)

This article is about cyber crime and fraud, and is based on the 7th annual survey of over 5,000 respondents – of which 26% were from the financial services sector.

Perhaps the most surprising message is that FS is only marginally more impacted than other industries, and this appears to be because of effective prevention and detection capabilities. There are some interesting case studies, especially the Bank of England’s co-ordination of a cyber-crime attack on its own sector.

Indicative insights include the need to ensure effective whistle-blowing instruments, known as ‘Speak Up/Speak Out’ mechanisms.

“The Great Decoupling” – McKinsey

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

McKinsey shine a light on key ideas (and in this case, books) of leading academics using its brand and a journalistic interview style.

‘The Great Decoupling’ is the idea that in the second machine age, the creation of more wealth by machines will not benefit members of society in the way it did last time – i.e. employment won’t grow, and inequality will rise significantly.

The key quote is that the state of machine learning is such that computers are as good as – or better – than the work done by 65% of the US workforce who are involved in information-processing jobs.

The rest of the article deals with ideas for dealing with inequality such as negative income taxes, wage insurance and standardization of public services.

“The Future of Payments: Shattering the Status Quo” – Accenture

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

This short article from Accenture outlines key themes on its upcoming thought piece around the future of payments. The authors argue five new realities will define the future of payments: customer experience beyond the payment itself; new payments options opening previously underserved market segments; building ‘relationship value’ from payments transactions; the non-negotiable role of international capability in any payments strategy; and seamless payments interoperability between digital and physical worlds.

While not necessarily unique insights, Accenture’s views on the payments trends are generally quite instructive for strategists. They leverage their traditional strength in technology and operations to provide a realistic sense of what it will actually take for organizations to convert payments strategic imperatives into true competitive capabilities and customer value.

Accenture’s observation at the close of the opening paragraph on how the rising cost of compliance is severely restricting companies’ capacity to invest in transformational initiatives exactly when they are needed most, is a profound observation and would be felt by many strategists in financial services.

“Global Payments 2014: Capturing the Next Level of Value” – BCG

[View PDF \(33 Pages\)](#)

BCG predicts that global payment revenue will reach \$2 trillion p.a. by 2023, with the next decade likely to feature explosive growth as well as multiple waves of disruption that will challenge incumbents.

The report provides solid insights around the key themes including digitisation, innovation, stronger regulation, cash displacement, and the rise of alternative payment solutions. These are global themes, meaning the article’s multi-regional focus provides an unnecessary distraction.

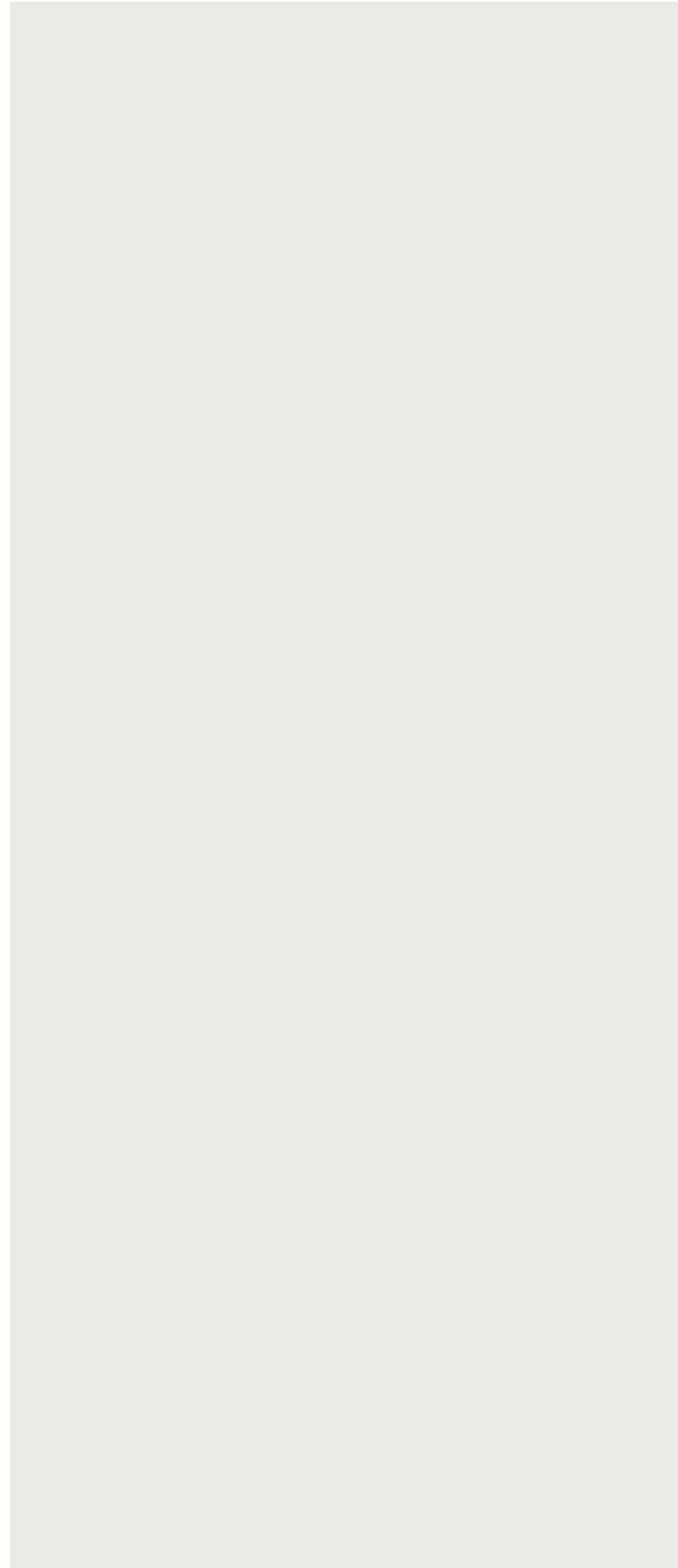
The majority of the paper covers retail payments, with a highlight being the concluding section on wholesale transaction banking. It indicates key growth and performance improvement opportunities available to banks through via digital technologies. Useful examples set out include working capital management, sustainable regulatory compliance and pricing optimization.

“Evolving Demands Shaping the Landscape: Canadian Banking Insights” – EY

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

This article unfortunately does not offer much in terms of rich insight. However, the data table presented on page 6 is quite remarkable for how much the financial services industry lags other industries in using forensic data analytics to deter, detect, and investigate different forms of fraud risk.

Also of potential interest is how Canadian banks are exploring more flexible staffing models in response to the changing role of branches. The discussions on emerging regulations around the supervision of audit committees and the implementation of FATCA in a Canadian context are likely to be of less interest to most readers.



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A comprehensive review of recent strategic thinking around the impact of digitisation on retail banking • 138 pages

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“Global Banking & Capital Markets Sector: Key Themes from 2Q14 Earnings Calls” – EY

[View PDF \(22 Pages\)](#)

The second of these reports by EY this year, it is rich in quotes and comparative-data, comprising a review of the 2Q14 earnings reports of 32 global institutions in the banking and capital markets sector. It then identifies the top ten themes that are common in the reports. New to the top ten this quarter are: Customer Focus and Conduct and Legal issues.

An interesting 60,000ft view of the global banking sector provides that in 2Q14 “the global banking industry continued to operate against a challenging backdrop, characterized by weak economic trends, low activity levels and elevated geopolitical, regulatory and conduct risks.”

A handy list of ‘who is who’ in global banking along with how they are each performing.

WEALTH & ASSET MANAGEMENT

“The World’s 300 Largest Pension Funds: Year-end 2013” **– Towers Watson**

[View PDF \(46 Pages\)](#)

Towers Watson provides its annual survey of the world’s 300 largest pension funds. These funds account for \$14.9 trillion in assets under management (as at Dec. 2013), representing an estimated 46.5% of global pension assets.

The survey breaks down the funds by size, growth rate, geography, type of fund, and asset allocation, and calls out the observations of note. Key trends such as the continuing decline of the number of US funds in the top 300 and the asset allocation of the top 20 funds (40.6 % in fixed income and 42.7 % in equities) are some of the more interesting findings.

A useful starting point for ‘large fund’ pension executives (and their service providers) seeking an understanding of their global peers.

“Asset Management in China: The Awakening of the Dragon?” **– Oliver Wyman**

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

A brief but detailed overview from Oliver Wyman on the massive expected future growth in the Chinese wealth market. The sector is expected to grow from USD 0.8T today to 5T by 2020, driven by the transition of households from saving to investing (explaining 60% of future growth) and the emergence of institutional investors (40%). The authors discuss the challenges facing foreign funds management companies setting up shop to participate in this growth, noting that one-third of China’s ninety funds management companies are unprofitable - particularly the newer, smaller funds. They suggest a range of market entry options for consideration, and conclude with a framework of critical success factors for five different types of industry players.

The article would suit executives in funds management companies, as well as strategy consultants to the sector who are seeking brief but content-rich insights into the growth of what will become one of the world’s largest wealth markets.

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The major sources of innovation in commercial insurance from around the world • 63 pages.

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INSURANCE

“Winning Operating Models for Global Insurance Companies” **– Bain**

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

A good overview and high-level piece on the ways of aligning business models with strategy and structures for multinational insurance groups. Product-, channel-, and geographic-led approaches based on corporate capabilities and the underlying need to fit the culture of the business form the base of the article. Examples, including Australian group IAG, describe the need to ensure the senior executive behaviors are set for success in the forming or change of operating models needed to respond to the disruptive changes affecting all insurers in the customer age.

A good brief read.

“The Fundamental Trends Reshaping Life Insurance” **– BCG**

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

Solid insight from BCG. A nice balance of the issues at play (with a high-level opportunity and threats framework), and the capturing of the key five trends in insurance. Two relate to designing products for untapped segments and creating products without guarantees; the other three are around simplification, cascading sophistication into the affluent market, and tapping the workplace channel.

With a solid list of case study examples (if not case studies) this is a useful read for internal consultants working in the Life sector.

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

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

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

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

Article of the Month

“Global Insurance Pools, Fourth Edition, 2014” – McKinsey

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

A very sound global positioning article based on McKinsey's Global Insurance Pool database covering 99% of global life and non-life premiums. It contains excellent analysis of emerging and mature markets outlining the surge in profits but the growth constrained development effects across the mature markets. A reference to US firms needing to diversify geographically to move forward is reinforced. Also included is an interesting take on 'cityscope' talking to the likely impacts of emerging market cities (mega cities) as evolving markets in their own rights. A very good senior executive read at 30 pages.

“The Future of the UK Life Insurance Industry” – Oliver Wyman

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

In this insight, OW offers two silver bullets to the UK life Insurance industry: bulk annuities, and the new flexible retirement system. While the industry has no dividend growth for five years and these businesses require investment, Oliver Wyman suggests players squeeze more blood out of the stone to fund the required investment using a comprehensive suite of levels articulated in Exhibit 11.

Internal consultants in all countries will similarly welcome Figure 3, which provides a useful taxonomy of solutions types by retirement stage.

“What Strategists Need: A Meeting of the Minds” **– McKinsey**

[View PDF \(14 Pages\)](#)

McKinsey has assembled an impressive roundtable of strategists from academia, leading companies, and their own Strategy Practice to debate the current state and future evolution of the theory and practice of strategy.

Issues touched upon include the expanding role of data and empirical testing of strategic concepts, the critical role decision biases play in gaining organizational commitment, and a rising emphasis on human behavior and the “social side of things”. As one of the roundtable participants put it, “I’ve become increasingly aware of how important non-rational issues are in strategy setting.”

Seven needs for ‘today’s strategist’ are neatly highlighted on page 9. While not prescribing any solutions around how to meet these needs in this article, nonetheless it remains an interesting read with an array of spirited perspectives presented.

“Next Level of Transformation for Your Support Functions” **– Oliver Wyman**

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

Oliver Wyman observe that today’s VUCA operating realities will force shared services functions to mature from functional centres of excellence delivering standardization at efficient scale and cost, to broader capability platforms that provide value-added and bespoke services to enable strategy execution. The chart on page 5 provides a helpful framework to understand the stages of maturity of shared services functions.

Digitisation of recurrent high-volume administrative tasks – the traditional ‘sweet spot’ for shared services – and globalization are driving the need for support functions to transform their capability proposition to remain relevant and extract further productivity.

Not surprisingly, the authors call out CEO and top management supervision and sponsorship as critical to enabling transformation. This article is otherwise light on specifics and absent any real case studies.

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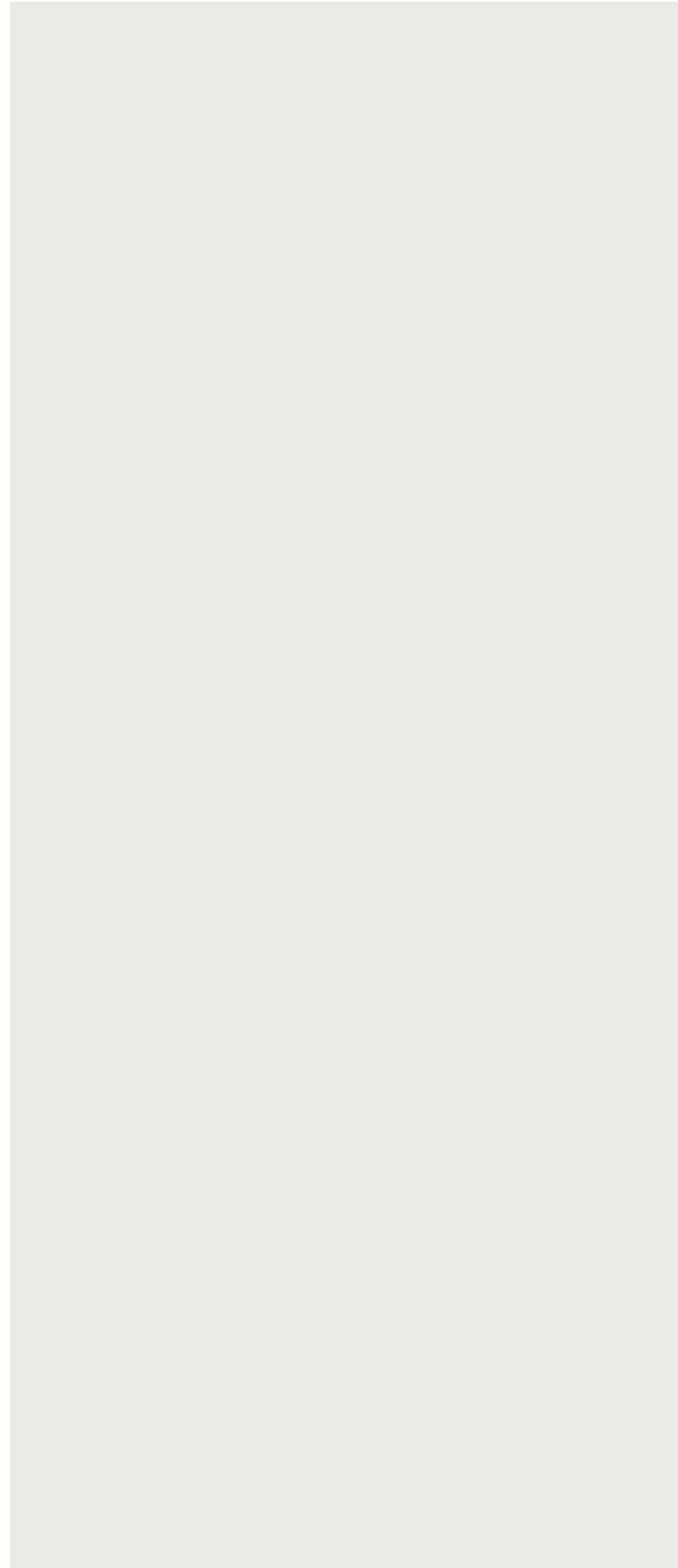
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“Making Trade-offs in Corporate Portfolio Decisions” – McKinsey

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

This is an adaptation of a book. While it raises many good issues in the areas of non-performing businesses that managers struggle with on a regular basis, little is put forward in the way of revolutionary thought as to the solutions.



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“Stress Testing & Capital Planning: Principles, Program Elements & Common Challenges” – Capgemini

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

This is very well summarized and articulated synthesis of bank stress testing for US bank holding companies (Supervisory Capital Assessment program) with relevance for those outside the US.

Using a series of frameworks, the authors provide classic consulting structure while removing the complexity of an often impenetrable topic.

Nicely done, and so a worrying insight for the accounting-based consulting firms and Oliver Wyman.

“Automatic Exchange of Information: The Common Reporting Standard” – KPMG

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

FATCA compliance is bread and butter consulting for KPMG. The new requirements for Common Reporting Standards of all forms of income for individuals and organizations across tax authorities makes FATCA look narrow in its scope.

This longish report includes well-summarized time lines, the evolution of FATCA (US), The Revised US Savings Directive, and the new OECD common standards (CRS), as well as the unsurprising implication that for the first time, tax authorities in a person's resident country will see income earned overseas (at least in the G20 and complying countries).

A useful summary of the new regulations for internal consulting teams tasked with a 'Do It Yourself' challenge, marred only by overly heavy advertorial towards the end.

“Risk Governance: Banks Back to School” – PwC

[View PDF \(5 Pages\)](#)

A useful primer from PwC to get up-to-speed (at a high level) on the Office of the Comptroller of the Currency (OCC) risk governance framework for banks. The report clarifies that the board need not take on responsibility for day-to-day managerial duties as the original proposal had suggested. In addition, the guidelines are now more flexible than the proposal. The article closes by providing PwC’s view of what firms should be doing now.

“Can Women Fix Capitalism?” – McKinsey

[View PDF \(5 Pages\)](#)

Gender equality at the top of business has stalled, and trust in business is alarmingly low. Putting more women in charge could well be the key to a better future for business and society alike.

Author Joanna Barsh is looking for the “secret sauce” needed to produce more women leaders in business. She has developed the “centered leadership” approach—one that joins female archetypes with male ones, anchored in meaning, purpose, and achievement to transform capitalism.

The minimum qualities of Barsh’s centered leadership approach that values feminine qualities are:

- Lead from a core of meaning
- Reframe challenges as learning opportunities
- Leverage trust
- Mobilise others through hope and
- Infuse positive energy and renewal.

Barsh is well-qualified, a Harvard grad (one of the first 1000 women) and a McKinsey consultant now working independently.

She envisions a possible future led by women and men together who are not concerned with short-term economic gain but more committed to delivering a meaningful long-term global impact.

She links her concept of centered leadership to the approach taken by John Mackey and Raj Sisodia in their work around Conscious Capitalism which argues that purpose-led companies will achieve superior financial results by winning stakeholder support through genuine respect for people.

If you are serious about bringing passion, purpose, and meaning into your business so you can transform capitalism by focusing on long term stakeholder value – this is a must read.

“Realizing the Power of Talented Women” – McKinsey

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

In 2010, eBay embarked on a journey to bring more women into its top ranks. It found that commitment, measurement, and culture outweigh a business case and HR policies.

This article is a case study of how eBay Inc. is tackling gender diversity. Starting 3 years ago with CEO John Donahoe’s personal and professional commitment, the authors outline the journey. The company shares all the data internally and has recently made the data publicly available. (Many Silicon Valley companies do not reveal this data. CNNMoney probed 20 big tech companies about employee diversity in 2011, and eBay was one of only five companies to reveal its data).

The results: eBay more than doubled the number of women in leadership roles and has grown the number of female leaders at a faster rate than males. Overall, the company has increased the proportion of women in leadership roles in the company, however they still have a long way to go: while the percentage of women in the company is 42%, women in leadership roles is currently at 28%.

Contributors to success are outlined as follows:

1. Sustained senior leadership commitment and conviction
2. Focus on a few key people processes (i.e. hiring, career development, promotion pipeline) and
3. Measurement and transparency of data.

Other initiatives include making gender equality a corporate priority, clearly communicating this, providing support throughout the culture, and CEO and senior management accountability through goals.

Leaders or consultants looking for key foundations to help put in place gender diversity programs – or advise on same respectively – will view this article as a good starting point.

“Manager & Machine: The New Leadership Equation” **– McKinsey**

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

Not your typical article from McKinsey, as it tackles the impact of increasing sophistication of artificial intelligence algorithms and big data-driven insights – in particular their proliferation into corporate decision-making and even the C-suite. The key question centres around the role of the executive and how it needs to evolve.

The article frames up some of the key areas around how those seeking ‘first mover advantage’ might seek to react. In addition, it does a nice job reminding us that there are certain ‘human’ characteristics that only we humble beings can do well, such as the ability to pose the right question, at the right time, of the right individual, or our high tolerance for ambiguity. Worth a skim if this topic interests you.

“Optimizing Compliance Staffing” **– Promontory**

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

A very specific article that tackles the issue of optimal compliance staffing in an era of prolonged waves of new rules and regulations.

The authors do well to lay out some of the key dimensions to consider, such as corporate vs. business line support, 1st-line vs. 2nd-line duties, and quantifying workloads and needs (including a nifty chart in Exhibit 3 that shows how you might perform this calculation yourself).

A good article for risk and compliance professionals having to balance increasing compliance demands with expense pressures.

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“Integrating Finance & Risk to Achieve Strategic Benefits in Financial Services” – Capgemini

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

This paper reads more like a product brochure than a thought-leadership piece. No depth of thinking or new insight is provided, and the rationale put forward in support of the pitch for what would certainly be an expensive piece of consulting work (Capgemini) along with data management platform (SAP) implementation is thin at best.

“Comprehensive Approach to Managing Social Media Risk” – Accenture

[View PDF \(24 Pages\)](#)

An excellent article on a hot topic. Internal consulting teams will appreciate the comprehensive framework (Figure 1) for effectively managing social media risk, which includes governance, process and systems across culture, compliance, and performance management. Each of these are further elaborated on, which looks like a lot of work for Accenture and their clients.

The article fills a big gap in the literature, is very polished, and includes a great summary of social media regulations in the US and UK, as well as a full bibliography.

“Getting the CMO & CIO to Work as Partners” – McKinsey

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

This article provides insights into the recent collaboration and coordination of CMOs and CIOs as strategic partners in transforming data-driven technologies into profits and growth. In today’s landscape driven by big data, the traditional separation between marketing and IT functions no longer bears acceptable returns. With the worldwide volume of data expanding at least 40 per cent per year, marketers are spending \$50 billion on big data and analytics capabilities annually – and the pressure is on to show significant above-market returns for that investment.

In this context, more CMOs and CIOs have realized that they are natural partners: CMOs have a wealth of customer data at their disposal, from which insights are extracted to increase revenue and profits; CIOs possess the expertise in the development of IT infrastructures, together with the execution of large programs required in forming a company’s big data framework and generating relevant insights. CMOs are beginning to appreciate that IT can’t be labelled as a back-office function anymore. Rather, CIOs have begun reinventing themselves as strategic thought partners crucial to the development, execution, and support of marketing strategies.

The article concludes by recommending prerequisites for a successful partnership between CMOs and CIOs. As the mix of IT spending shifts from the back office to the front office and customer experience, tensions may arise about a CMO’s and CIO’s decision rights and budget authority. Solutions to counter such sentiments include both executives adhering to a clear and effective decision-governance framework, scheduling meetings on a regular basis in order to achieve accountability and goal alignment, as well as building a joint team comprised of marketing and IT experts.

OPERATIONS & CHANGE

“Lean That Lasts: Capturing the Full Potential” – BCG

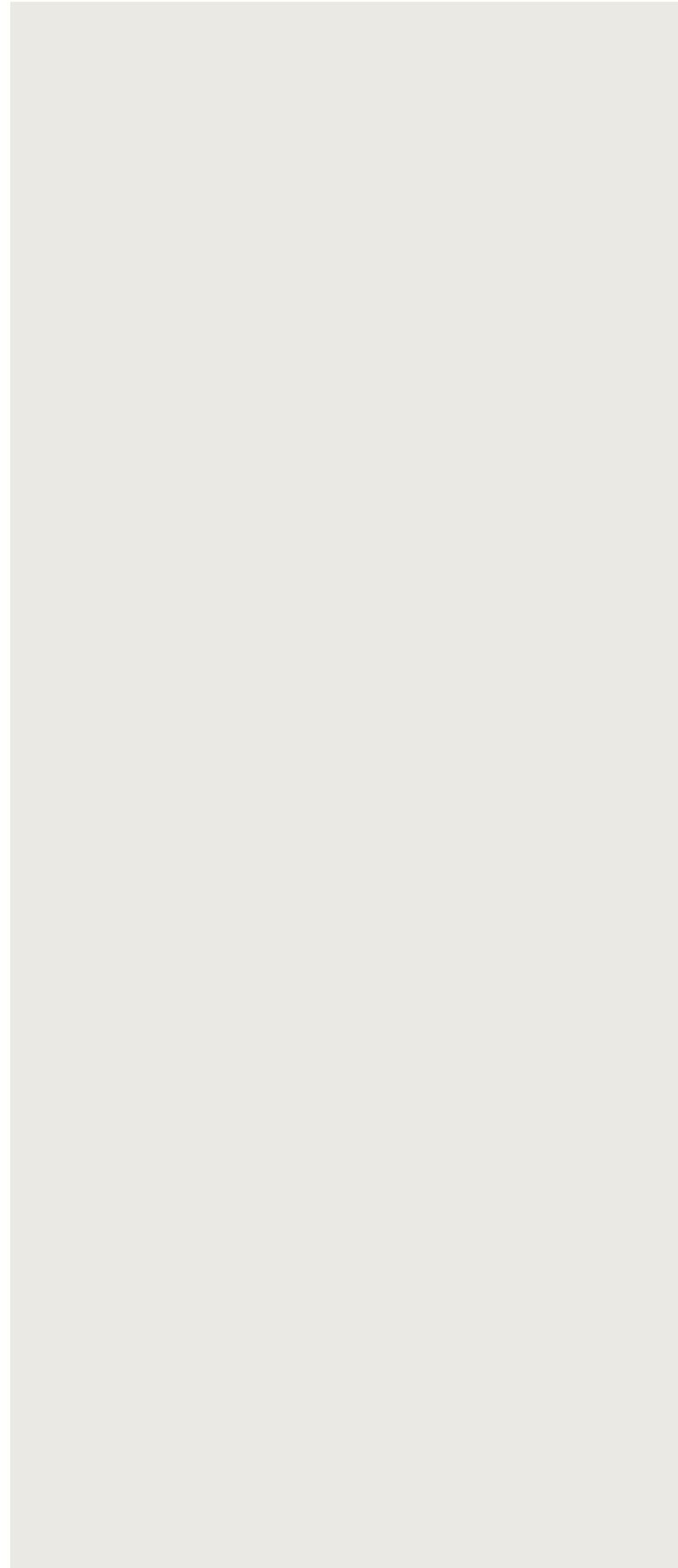
[View PDF \(15 Pages\)](#)

The third in a series, “Lean that Lasts” provides a good overview of the issues and actions to address Lean programs that do not perform as expected. It includes discussion of a key attribute of Lean programs – cultural change – with the view that many programs fail because of poor planning or an inadequate focus on cultural or behavioral change. According to BCG research, 60 per cent miss financials, 70 per cent miss qualitative objectives.

The paper then describes the high-level steps and bottlenecks to change, with recommendations for ‘smart simplicity’.

Overall it is well written, borrowing from tried and true principles for organizational success – e.g. clarity of strategy and accountability, cultural alignment, etcetera. However, it has a tendency to under-emphasize the importance of leadership and individual accountability (vs. ‘shared accountability and coaching), an old chestnut that never actually gets old.

Still, worth the read.



KAR – Best Practices in Shared Services

Examined by function, benefits/pitfalls, best practices, trends and value creation sources • 128 pages.

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STRATEGIC ANALYTICS

“Choosing Clients Strategically: A Comprehensive Guide to Profitable Growth in Banking” – Roland Berger

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

Roland Berger have produced some excellent insights recently. This one, however, is in the ‘good but not great’ segment. Taking the sensible mandate that banks cannot be all things to all customers, this insight applies some pretty obvious heuristics to help banks work out where to realign business models to take out cost and where to actually transition the customer out of the relationship (presuming, we hope, rational but meaningful efforts to cross-sell/upsell have been made).

Much better thinking is available in the granularity of growth and value/volume skew platforms, but we do commend Roland Berger for being brave enough to tell their client to exit clients to other banks or other options.

TECHNOLOGY

“IT’s Challenge Bringing Structure to the Unstructured World of Big Data” – AT Kearney

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

Enterprise data warehouses are a thing of the past, according to this Hadoop-oriented article. It provides a fairly comprehensive overview of the demands big data places on data management platforms and capabilities, and how this is driving change in the vendor and user arenas.

While this paper does not provide clear “how to” guidance to those wishing to become big data enabled (arguably an impossible task given the rapid rate of change and development in this arena), it is a worthwhile read for those wishing to gain a better insight into the world of big data and the capabilities that are required for handling, processing, managing and deriving insight and value from vast amounts of diversified data.

“Big Data: The Next Leading Edge in the Financial Industry” – AT Kearney

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

The focus of this paper is primarily the presentation of a range of big data use cases drawn from Chinese banks, Insurers, and other FI industry players.

Of these, the CITIC example is the most comprehensively described (and most titillating to those intent on leveraging big data benefits in their own organizations). Of course, being based in China, CITIC is relatively unencumbered by privacy legislation or other regulatory constraints governing the use of data for such purposes as marketing and credit targeting.

While quite robust in its treatment of example cases demonstrating the potential business benefits to be gained by banks and other financial services entities (devoting five out of the total of six pages to this), the paper is light on its coverage of key challenges or preparing for the big data industry disruption it predicts to be coming.

A useful article for those wanting insight to the potential use cases for big data utilization. For the reader trying to get to grips with preparing for or enabling big data capabilities, the other AT Kearney article reviewed here, *“IT’s Challenge: Bringing Structure to the Unstructured World of Big Data”* (see left) would be a better read.

KAR – Digitisation of Business Banking

How does/could digitisation affect business banking? • 84 pages.

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“Rebooting IT: Why Financial Institutions Need a New Technology Model” – Bain

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

Bain makes the point that IT operating models have been designed for stability, predictability and efficiency. Yet today’s digital economy requires a “reboot” of this model. This short articles includes (in Figure 1) a helpful summary of what success looks like across key IT operating model dimensions, such as delivery capabilities and organization. They reinforce any emerging dissonance in readers’ minds with (scientific-looking) qualitative benchmarking of the state of play of 40 financial service companies. The rest of the article is a predictable call-to-action with more focus on all things digital. Readers will get a strong sense that this is a nascent practice for Bain.

“Artificial Intelligence Meets the C-suite” – McKinsey

[View PDF \(10 Pages\)](#)

A more focused interview by a McKinsey reporter on the evolution of machine learning with four global gurus.

As most of the text is composed of the favorite anecdotes and sound bites of the four gurus, the result is a very rich insight that is well worth the read.

We can help but highlight that one of the arguments for keeping executives around is the role of needing to crowd-source the far-flung human talent that is coming online around the world – the very essence of the patented *BAF® process* which is at the heart of ICG’s own Industrialised Agility model.

The Insights Review – FS Edition Team

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

CHIEF REVIEWER

David Moloney
ICG Practice Leader Financial Services

EDITOR

Andrew Wilson

INSIGHT REVIEWERS

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Key contributors this month include:

Andrew Boyes-Varley
ICG Practice Leader Strategy

Barry Johnston
ICG Practice Leader Wealth Management
& Superannuation

Catherine Norton
ICG Subject Matter Expert

Chris Brideson
ICG Practice Leader Wealth Management
& Superannuation

Damian Kernahan
ICG Practice Leader Marketing

Gerry Purcell
ICG Practice Leader Productivity

Henri Eliot
ICG Practice Leader Corporate Governance

John Morgan
ICG Practice Leader Corporate Finance / M&A

Julian Cappe
ICG Practice Leader Retail & Business Banking

Keith Land
ICG Practice Leader Insurance

Kim Jenkins
ICG Subject Matter Expert

Lisa Hickson
ICG Practice Leader Marketing

Rajesh Gokhale
ICG Practice Leader Human Capital

Vimpi Juneja
ICG Practice Leader Business Banking

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

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feedback@internalconsulting.com ►

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Internal Consulting Group Pty Ltd

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The .
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