



THE INSIGHTS REVIEW

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ARTICLE OF THE MONTH: *“Where is Technology Taking the Economy?”* – McKinsey

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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- IBM
- King & Wood Mallesons
- KPMG
- L.E.K. Consulting
- Macquarie University
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&

**THE
INSIGHTS
REVIEW**

Message From the Editor,

Welcome to October's edition of *The Insights Review*.

We would like to extend a warm welcome to our newest insight reviewer, Peter Dale (peter.dale@internalconsulting.com). Peter is a financial services practice leader from our London hub and is now reviewing the General insurance section – a warm welcome to Peter.

October is typically a quieter month for new insights after the usually very full September edition, which, with all other past editions, is available in our comprehensive archive on our web site [here](#).

This month's Article of the Month is one of the most thought-provoking insights we have seen in a while, and is a must-read for internal consultants and executives alike. It was written by W. Brian Arthur, an external professor at the Santa Fe Institute, and was published by McKinsey. Congratulations to their publications team.

["Where is Technology Taking the Economy?" – McKinsey](#)

Enjoy your Insight Review and please contact any of our curators for subject matter expertise on your most pressing issues.

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](#).

Enjoy,

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.



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INSIGHTS
REVIEW**

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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](#)

“How to Create an Agile Organization” – McKinsey

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

A useful contribution to the field. This article, based on a survey of approximately 2000 respondents, helpfully articulates the many benefits of agility and provides a high level ‘how to’ guide for organizations wanting to implement it. Exhibit 3 is particularly useful because it specifies differences across 18 practices required for success. A useful read for internal consultants and executives wanting to be across the benefits and ‘how to’ of agility.

“What’s the Best Way For a Board to Approach Digital Strategy?” – Oliver Wyman

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

An Oliver Wyman opinion piece that suggests boards use disruptive threats as a focus and rallying cry to move the organization, because responding to the digital era with a digital strategy is now business as usual. Short and easily skippable. 



Cross-Industry Functional Topics

Extended Enterprise & Joint Ventures

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

“Customer Behavior & Loyalty in Insurance: Global Edition 2017” – Bain

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

Bain provides a good, insurance-orientated analysis of a key ICG competence – the effective deployment of platform ecosystems – to address the bane of insurance executives’ lives, namely commoditization of product.

It is a good article which senior executives should read, and contains some interesting insights for those interested in insurance – albeit that it is a somewhat conventional exposition of platform ecosystem benefits.

One weakness is that it really does not address the fact that many insurance markets rely heavily on intermediaries and aggregators such as Go Compare (UK), who have equally strong brands as carriers, and how insurers might intelligently use eco systems to counter loss of client ownership. However, it remains worth reading. **lr**



Cross-Industry Functional Topics

Corporate Finance / M&A

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

“The Dawn of a New Era in Corporate Restructuring” – Oliver Wyman

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

This well-written report discusses the findings of an Oliver Wyman survey of banks, private equity (PE) firms, and other participants concerned with non-performing corporate loans (NPLs) in Europe. It analyses the trend of PE firms becoming as important as other banks to the sale and restructuring of NPLs. Their “dry powder” funds, and business strategy and operations turnaround capabilities, can produce better outcomes, but they and banks need to collaborate to achieve the best outcomes. This means banks inviting the PE firms to intervene earlier, and PE firms allowing the banks a share of the upside they produce. Although focused on Europe – with its tradition of banks dominating corporate finance – the findings of this report should be applicable in any country where banks have NPLs and PE firms looking for deals.

“Getting Fit for Mergers & Acquisitions” – Strategy&

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

A short article beginning with a story about a company that has grown by rollup acquisitions and which, in preparation for its next deal (a large acquisition), uses the opportunity to strategically review its own structure and operations. The article subsequently introduces the strategic cost reduction framework in the authors’ book *Fit for Growth*, where costs are “good” if they fund differentiating capabilities. The authors make the claim that making your organization “fit for growth” will also improve the success rate of acquisitions and divestments. Although an advertorial, this article is thoughtful and might make you curious to read the book. **lr**



Cross-Industry Functional Topics

Human Capital


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

“Creating an Innovation Culture” – McKinsey

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

This quick read is guest-authored by one of Silicon Valley’s most well-known technology executives, sharing his insights for creating a culture that “encourages the embrace of new technologies, kindle(s) the passion for knowledge, and ease(s) barriers to creativity and serendipitous advances.”

Some of the headlines (“Hierarchy busting”, “Encouraging the Unreasonable”, “Hiring the Best”, etc.) seem a bit trite at first. However, each is underpinned with vivid, relevant, and current insight of how this executive has delivered, and the effect creating an innovation culture has had on the organization.

It’s a short, worthwhile read. 

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Cross-Industry Functional Topics

Risk & Compliance

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

“Risk Leadership: Changing the Paradigm” – Oliver Wyman

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

Oliver Wyman reports on a survey conducted to evaluate competences required in risk functions in European banks, with the aim to identify disruptive trends and possible responses.

Based on current and future technological developments, innovations, and automation of regulations, participants expect that not only will risk functions need to change, but also the competence profiles of risk managers. Beside strategic and operational competences, new talent needs to be tech-savvy, and be excellent communicators that are able to influence others. Oliver Wyman proposes a framework covering these competences, with each competence rated from 1-5 according to maturity and explained in detail.

The article provides insight on trends and possible responses. The proposed risk leadership competence framework is especially helpful for evaluating an organization’s starting point and planning the journey ahead. This is a recommended read for all risk managers and executives aiming to prepare their risk function for the future.

“The Future of Risk Management” – Oliver Wyman

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

The banking industry is impacted by today’s uncertain societal and political environment and increasing competition, as well as cost pressure. To meet these challenges, a bank’s risk functions must evolve.

Oliver Wyman’s article evaluates what the future of risk management looks like and how to prepare for it. For example, current cost pressures could to be addressed by leveraging robotics and process automation in the short-term. To address long-term challenges, the article proposes more radical changes. These include an evolved partnership with business for aligned strategic decision-making, an integrated target operating model to enable flexible data management, and modularization of the risk function to increase efficiency as well as to reduce costs.

The article is a recommended read for executives and CROs who are looking for options to prepare their risk function for multiple future scenarios. **lr**



Cross-Industry Functional Topics


Finance Control

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

“Strategic Financial Resource Management” – Oliver Wyman

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

A good article, albeit that this is not a new topic. With a lot of common sense attached, it is worth a read.

The content comes across as a call to arms and reads a bit like “Strategic Financial Resource Management” is a silver bullet for all banks’ ills. Efficient resource allocation is good to achieve, but many banks may have to live with a sub-optimal configuration as the cost of exit is too high. In such cases, SFRM may not address how banks adapt these businesses to get them to a better place. 

Virtualization in Financial Services

KAR 015



75 pages

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

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Cross-Industry Functional Topics

Technology

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

ARTICLE OF THE MONTH

“Where is Technology Taking the Economy?” – McKinsey

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

First, a big thanks to W. Brian Arthur – independent professor – for bringing McKinsey and us (ICG readers) thought leadership on the highly talked about subject that is the socio-economical impact of the new industrial era.

What a refreshing and thorough article this is! The author goes beyond the common debate of whether or not the 4th revolution will destroy or create more jobs, instead positioning the debate on the need for adequate distribution of the production/productivity gain from this revolution. He makes reference to the universal revenue trial in the Scandinavian countries, and to John Keynes predictions back in the 1930s, and provides plenty of relevant examples.

Lastly, the author also reminds the politicians that if they don't act on new social policies, they will most likely be forced by the people to do so – as has been the case throughout history.

A very interesting and compelling article that you will enjoy reading.

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Cross-Industry Functional Topics

Innovation & Disruption

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

“Beyond Fintech: A Pragmatic Assessment of Disruptive Potential in Financial Services” – Deloitte

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

A summary that links to another long report from the World Economic Forum (WEF) and Deloitte on fintechs and the technological forces impacting the financial services industry. We have reviewed the previous WEF/Deloitte reports in earlier editions of *The Insights Review*.

The team and working groups behind this report have worked diligently to catalogue developments and trends under the headings of eight “disruptive forces”, and produced 197 slides to describe them in detail – including examples of firms, and deep dives into different services (payments, insurance, etc.). If you have time, flick through for ideas and current examples, but don’t expect too many fundamental insights. Rather it is a comprehensive distillation and update of what they have published over the last 3 years.

“How Thinking Differently About Customer Needs Can Inspire Disruptive Innovation” – EY

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

A short article that begins with the interesting question of whether it is enough, in an age of technological disruption, for firms to focus on serving the needs of customers. However, the article doesn’t provide any useful or interesting answers to the question; instead it discusses some narrow examples around different approaches to recruitment. One to skip.



Cross-Industry Functional Topics Innovation & Disruption

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

“The Fear of Disruption Can Be More Damaging than Actual Disruption” – Strategy&

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

Another short but thoughtful article from PwC’s Strategy& that is really an advertisement by the authors for their book *Strategy that Works*. The main point of the article is that only weak incumbents and poorly run industries get disrupted – the disrupters expose and exploit fundamental weaknesses that were always there, whereas strong incumbents in fact have time and options for responding to disrupters and beating them. They should stick with strategies that are based on distinctive capabilities, and focus on serving their customers well. They should also focus on being better than the disrupters, not trying to be as fast or as agile as them. The authors support their hypotheses with quantitative analysis of the extent and speed of disruption in 39 industry sectors, which is less and slower than executives might think or fear. However, Clayton Christensen might disagree. His classic book, *Innovators Dilemma*, is based on strong customer-focused incumbents and whole industries that did indeed get disrupted by left-field competitors with different but good enough solutions for customers’ needs. Perhaps the authors’ *Strategy that Works* book makes a more nuanced argument? Or perhaps the problem is simply the overuse of the words “disrupter” and “disruption”, which have become mere synonyms for “new entrant” and “new competition”– which are not what Clayton meant by the terms.

“The New Class of Digital Leaders” – Strategy&

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

A summary of findings from the Strategy& 2016 survey of 2500 large companies about their use of Chief Digital Officers (CDO) – the vogue title for an executive who owns the digital business innovation agenda for the whole organization (as distinct from the conventional roles of CIO or CTO, or individuals in business units). The summary discusses the prevalence of the CDO role by industry, different scopes of responsibility, and the talent gap, and provides examples of how some CDOs think about their role. One of these recommends a CDO for “fast” IT, and a CIO for “slow” IT (core legacy systems), an approach that was also discussed in Cap Gemini’s article “[Learn Fast, Accept Failure & Succeed Often](#)” that we reviewed in [last month’s TIR](#).

Impact of Telematics on Automotive Insurance

KAR 030



98 pages

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

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Cross-Industry Functional Topics

Innovation & Disruption

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

“Fast & Furious: Why Making Money in the Roboconomy is Getting Harder” – Strategy&

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

A forecast of the changes facing firms in the automotive industry due to digital technology, self-driving electric vehicles, and ride sharing. The headline is their share of industry profits will drop to 50% by 2030. The article presents the data and frameworks used for this forecast. It also discusses the strategic choices facing incumbents, such as “asset heavy” versus “asset light” strategies. It is entertaining to read this heart-stopping and well-argued forecast from the same firm that wrote the more sanguine article covered in the preceding review about the “The Fear of Disruption” being greater than the reality – particularly as the automotive industry was not highlighted by that article’s authors as an industry particularly at risk. This reminds us that looking at historical trends (in this case, decreases in the enterprise values of the top 10 firms in each industry) is useless for predicting turning points and discontinuities, which are what true disruption causes. **lr**



Cross-Industry Functional Topics


Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)
K Paul Blond | ICG Subject Matter Expert | [Contact](#)

“Merchant Payments Digest: 5th Edition” – Oliver Wyman

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

A short paper detailing a couple of companies which are moving beyond their natural industry boundaries and leveraging their QR code capabilities to allow for payments across other retailers.

The insight also includes a good summary of recent partnerships (Marriott, PayPal, and Xero) and their connections with payments companies (Alibaba, Swift, and Stripe) and what they are aiming to achieve. 



Cross-Industry Functional Topics Cyber Security

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

“The Equifax Data Breach” – Oliver Wyman

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

A very good paper covering a critical issue – the breakdown of identity factors’ usefulness given catastrophic privacy breaches like Equifax. At this juncture, systems for identity verification used by most organizations do not suffer the cost of failure, the individual does – but Equifax may shift the economic burden to organizations. With catastrophic breaches, we now have systemic issues in play and organizations’ risks will increase, maybe significantly. The authors consider this from the point of fraudsters, but it could equally be an issue against nation state threat actors. Worth a read by all.

“Strengthening Digital Society Against Cyber Shocks: Key Findings from the Global State of Information Security Survey” – PwC

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

The title might make a reader believe this survey will point the way for digital business to enhance trust and protect what matters most. To some extent it does that, but mostly by rehashing 30 other non-PwC government and industry sources, reinforced with stats from the PwC, CSO, and CIO online survey. The actions proposed could have been suggested without any additional research, and regrettably not much original research resulted from the survey. However, the report is still a good overview of the challenges in cyber security that might enhance an executive’s understanding that more must be done. **lr**

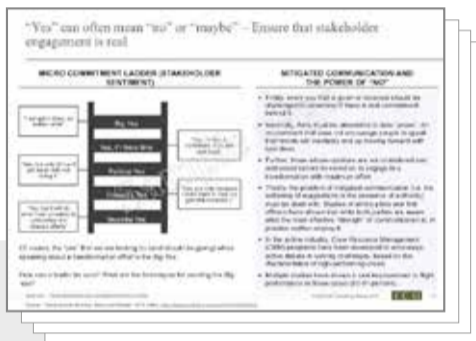
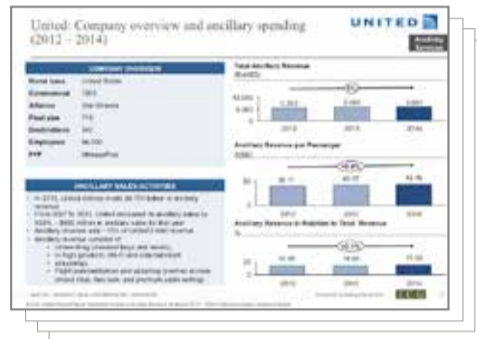
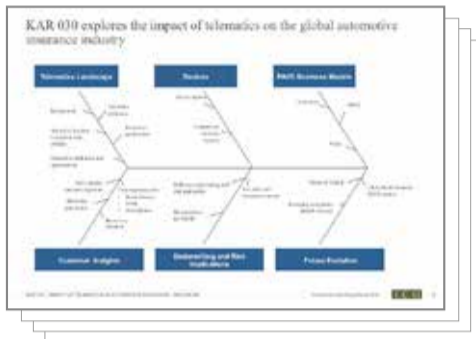
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- Virtualization in Financial Services
- Pricing in Retail Banking
- Impact of Telematics on Automotive Insurance
- Bank Cost Reduction Program

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Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Fintech](#)

[Corporate & Investment Banking / Institutional Markets](#) | [General Insurance](#)



Industry-Specific Topics

Macro Financial Services

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

“Battle of the Banks: The Fight for Profitable Business Models in Europe” – Bain

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

Bain advertorial under the guise of an annual review of the sector. The idea is a bank’s performance trajectory can be categorized using Bain’s ‘proprietary’ formula, and that the segmentation arising from its application reveals markedly different valuation multiples.

The insight further prescribes five major performance-enhancing initiatives:

1. Clean up the balance sheet (skew to value);
2. Digitize the customer journey;
3. Align to targeted segments;
4. Zero-base costs every year; and
5. Skew the mix of funding to retail customers.

The reader is then encouraged to conclude that the application of this prescription cocktail by Bain to two of its clients drove their stellar performance. However, the existence of 6 years of data across only 5 data points in each chart makes this reviewer suspicious...

“As Sector Borders Dissolve, New Business Ecosystems Emerge” – McKinsey

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

A podcast/transcript of a recent insight that literally talks about the evolution of major global ecosystems. McKinsey has forecast as much as \$60 trillion (2025) of value shift to just 12 major ecosystems around concepts such as mobility and housing. Critically, the value will accrue mostly to the orchestrator’s of these ecosystems. The podcast makes the right key points but rambles and is self-congratulatory, so if the topic is of interest, executives and internal consultants will be best served by reading the original insight [here](#).



Industry-Specific Topics

Macro Financial Services

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

“Banking Strategy for the Long Game” – Bain

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

A promising insight that starts well, but fails to land. Adapting the sensing and responding (but missing the scaling) framework of Julian Birkenshaw’s new book *Fast Forward*, this insight attempts to define the key disruptive forces and map them by probability of occurrence and scale of impact. It is commendable for being the first of its kind, but fails to satisfy because while the proposed disruptors are noteworthy, you don’t feel the authors have nailed the answer. In addition, the second section on ‘what to do’ is a poor rehash of original McKinsey thinking that is missing the critical option of shaping the market or industry to better serve your interests.

Internal consultants and executives should all review the ‘Seven macro themes’ and make their own judgments on correctness, and then use the article to catalyze their own efforts to craft something similar – for those that would like some assistance, ICG has a component called Board Disruption Radar (BSR). [lr](#)



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Industry-Specific Topics

Fintech

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

“The Blockchain Revolution for Loyalty Programs” – Oliver Wyman

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

A short article that discusses loyalty programs in the travel industry as a good application for blockchain, particularly for airline and hotel loyalty programs. The authors claim that implementing loyalty programs on blockchains would avoid the problems caused by the current proliferation of loyalty programs, and produce benefits for both consumers and program partners. They envisage a transition to a handful of global blockchain-based loyalty programs, each anchored around a major airline or hotel group, or alliances of smaller travel companies. Finally, the article discusses the competitive risks these would cause due to blockchain’s inherent transparency. **lr**



Industry-Specific Topics

Corporate & Investment Banking / Institutional Markets

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

“Hedge Funds Face New Scrutiny Over Financial-Crime Risks” – Promontory


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

This legal-style article is from a new source for *TIR* – Promontory, an IBM company focused on risk and regulation – and highlights the anti-money laundering challenges and criminal risks that are now evident in the hedge fund sector. The regulators are pushing to expand to culpability for crimes that may occur in this sector – due to policy and procedural gaps – to their advisors. So, if you are engaged in the industry, the time for “turning a blind-eye” has passed.

“How Can Private Equity Create New Value?” – Promontory

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

An insight that is an invitation to read a 32-page report entitled “How Can Private Equity Transform into Positive Equity?”. This report is a research piece – commissioned by EY as a multimedia showcase for their PE credentials – and is built on interviews with “industry pioneers and top executives”.

The report, written by Roubini ThoughtLab, is nonetheless worth a review for a future perspective on the PE sector, articulated by seven key challenges and underlined by personal views from the aforementioned pioneers. 

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

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[VIEW KAR 011 >](#)



Industry-Specific Topics


General Insurance

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

“The Rocky Road for Autonomous Vehicle Insurance” – Oliver Wyman

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

This is for motor insurance executives, and worth a quick read – but you can get by reading only the first paragraph.

The article makes a bit of a meal out of insurance product innovation. This is actually a core competence – especially in the London markets – and has seen insurers respond rapidly (and in the long term, profitably) to technological changes in transportation from sailing ships to satellites. This reviewer is not sure these companies need a consultant’s help here. 

Transformation Leadership

KAR 027



110 pages

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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

SEPTEMBER 2017

“Build & Protect Firm Reputation” – Accenture

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

This is a great step-up article by Accenture in a field they are not famous for. Accessible and containing some excellent new material, this insight is well worth reading for executives and internal consultants needing to be across all the major frameworks required to manage conduct risk.

The headline here is that the aggregate misconduct bill across the industry over a 7 year period is a staggering US\$300B!

Of more utility to internal consultants and their clients is a well-engineered reputation driver framework that highlights governance and community as the two key drivers that are directly related to conduct and behavior.

The insights include five thematic challenges for a conduct program, a powerful inherent conduct risk danger framework (that we haven't seen before), some myth busters, and an approach framework and overview of three lines of defense that everyone should keep on their hard drive.

AUGUST 2017

“Sizing the Prize: What’s the Real Value of AI for Your Business & How Can You Capitalise” – PwC

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

PwC examines the improvement potential of AI and how it can be applied to generate specific benefits. As with Accenture's report also reviewed here, the authors define AI as systems that can sense their environment, think, learn, and act autonomously. PwC goes on to classify AI in four ways: process automation, human assistance, augmented intelligence, and autonomous actors.

The report focuses on the value that can be created, and outlines the economies and businesses with the greatest potential for improvement. PwC sees AI as a big game changer that possesses the greatest potential to transform operations and business models. The report cites specific opportunities to reduce cost through process automation, improved decision-making, and revenue growth driven by more personalization, innovation, and improved CX.

This is a high quality report from PwC, building on its extensive experience with global surveys. The report projects specific improvement potential for select economies and industries. Similar to the Accenture report, the value lies in raising awareness and as a call-to-action rather than the precise percentage improvement reported.



Articles of the Month

The Best Insights of the past 12 months

JULY 2017

“Technology Vision for Insurance 2017” – Accenture

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

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

The authors cover five main trends:

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

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

JUNE 2017

“The Business Logic in Debiasing” – McKinsey

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

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

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

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



Articles of the Month

The Best Insights of the past 12 months

APRIL - MAY 2017

“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.

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’.



Articles of the Month

The Best Insights of the past 12 months

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.

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).



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.



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’.



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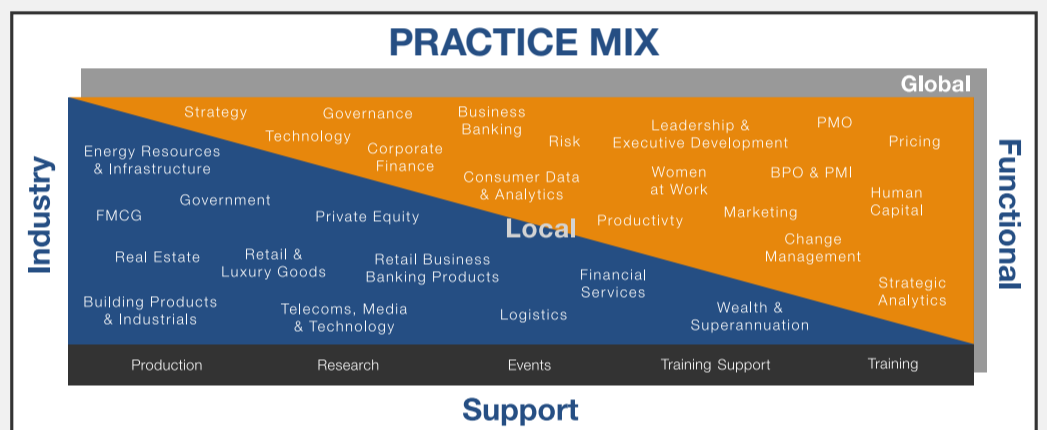
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

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