ARTICLE OF THE MONTH: “Build & Protect Firm Reputation” – Accenture

REVIEWS OF THE WORLD’S LEADING INSIGHTS

SEPTEMBER 2017

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GENERAL INSURANCE

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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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Links are current at time of publication.

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• Oliver Wyman
• Parthenon
• Promontory
• PwC
• Roland Berger
• Strategy&
Message From the Editor,

September is one of my favorite months for *The Insights Review*, because all the firms flood the market with insights when European executives return from their holidays to decide on three-month-long programs before the next holiday break.

With rich pickings, our team of researchers and curators have saved you countless hours finding the key ideas and insights you need to succeed. This month, articles skew towards strategy, digital, analytics, and conduct. It is this last topic that caught our eye for Article of the Month, so we would like to congratulate the winning authors from Accenture: Samantha Regan, Jonathan Narveson, and Ben Shorten.

“Build & Protect Firm Reputation” – Accenture

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

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.
# Cross-Industry Functional Topics

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“The Roots of Organic Growth”
– McKinsey

Growth, which is often one of the top agenda items for CEOs, is extremely challenging to realize even under the best of circumstances. Today, every organization is impacted by two macro themes: changing views on globalization, and the role that digitization plays on disrupting industry. No company can escape these waves of change. It is in such an environment that CEOs need to examine their options for achieving growth.

McKinsey offers a simple yet powerful framework for companies to characterize their growth profiles. The article suggests that companies could realize successful organic growth by providing multiple routes to achieve targets and manage risks with diversified portfolios of opportunities. Furthermore, advanced analytics would provide strong underpinnings for growth performance. Regardless of which growth profile you fit, the authors argue that there are some key capabilities that must be embedded in order to succeed. These include resource allocation, branding, and mindset. If a company wants to excel in growth, then other differentiating capabilities will also have to be considered. The article ends strongly with one key piece of advice: ‘whatever your formula for delivering growth, have a growth mindset and pursue it with vigor’.

A must read for CEOs.

“When to Shift Your Digital Strategy Into a Higher Gear”
– McKinsey

If you want to stay ahead of your game in a world that is increasingly digital and analytics-driven, then you need to have your business ear finely tuned to the continually changing winds of competition – both the disrupting newcomers as well as existing ones making stealthy moves with their digital strategies. McKinsey argues the signals are out there: you just need to know which one to catch and react to, and which ones to ignore. This skill might make all the difference between survival and obsolescence.

A good read for anyone – but while the article provides the insights, you will need to figure out how to operationalize them.
With advances in data and analytics, the techniques and even results are becoming more and more opaque, with analyses operating as ‘black boxes’. But for decision-makers in data-driven organizations who rely on data scientists and their results, the trustworthiness of these analyses is of the highest importance. This article explores how a concrete approach to trusted analytics can help improve trust and throw open the black box of D&A.

Most businesses today have the ability to collect or acquire tremendous amounts of data about their environment, with the intent to use that data to gain some form of competitive advantage or offer better products and services to their customers or make better and more timely business decisions. The challenge, however, is in knowing whether the choices they make are being made upon data and analytics they trust. The authors offer a mechanism to close the ‘trust gap’ founded on 4 key anchors of trust: Quality, Effectiveness, Integrity, and Resilience. Even though this article offers an overview of the subject, there are links that will allow you to dig deeper.

A must-read article for CEOs and Senior Managers.
“4 Lessons from M&A Wins & Losses” – Huron Consulting Group

A very short advertisement from Huron aimed at healthcare organizations that might be contemplating mergers. It tries to lift their sights from the financials to the higher purpose for merging, and the importance of cultural fit. Best to skip.
The European General Data Protection Regulation (GDPR) becomes effective in May 2018 and applies to all personal data of EU citizens.

Capgemini’s article evaluates the impact of GDPR on the marketing function of organizations operating in the financial services sector. In order to reach specific client segments or profiles, marketing relies on personal data from multiple internal and external sources. With the introduction of GDPR, this data needs to be protected and only used for the specific purpose the client consented for the use. This results in challenges with regards to data locality (multiple data channels), access (restrictive permission handling) and security (protection). Capgemini proposes a centralized data management platform which provides restrictive access to the data, manages permission, and stores evidence.

While marketing is one business function using personal data, it is not the only one. Any approach to implementing GDPR must focus on an organization-wide approach. Therefore, the article may be an interesting read for marketing experts responsible for compliance with GDPR for their function, but it does not provide additional insights on the organization-wide implementation of GDPR.
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MORE INFORMATION >
“Bank Executive Accountability Regime: Consultation Paper Released” – King & Wood Mallesons

The Bank Executive Accountability Regime (BEAR) is currently in the consultation phase. It impacts all regulated ADIs including offshore entities, and applies to accountable persons such as directors and executives whose actions may pose a risk to their organization or customers.

King & Wood Mallesons’ article not only outlines requirements, obligations, and impacts, but also discusses the shortcomings of the current version of the consultation paper. For example, BEAR empowers APRA (Australia) to review accountable persons and, if required, adjust the remuneration of that person. This may curtail the freedom to select the best person for the job or to manage performance to organizational standards. Furthermore, to avoid an unreasonable burden on accountable individuals, outlined expectations may need to be clarified in the context of expectations as stated in the Corporations Act.

It is a recommended read for all directors, executives, and compliance officers who are impacted by or tasked to implement BEAR.

“Deploying Research Compliance Analytics: Turning an Audit Into an Asset” – Huron Consulting Group

Organizations with a focus on research are required to track the spending of money received for a particular research topic or purpose.

Huron Consulting Group’s article finds that federal investigations and audits resulted in increased regulatory fines and penalties as well as criminal/civil actions. In order to be prepared for investigations and audits by authorities, Huron suggests utilizing its data analytics tool not only to optimize resource allocation and audit response times, but also to prepare audits and investigations pro-actively. With this increased compliance management, the risk of fines and civil actions can be decreased.

While the insight sheds some light on compliance management for money granted for specific research topics, it does not provide additional insights for a wider audience.
“Win the Customer in B2B Sales” – Roland Berger

Roland Berger’s new research explores the current and desired use of 31 digital tools designed to improve the sales process for their customers. It involved 230 Swiss and German B2B companies selling engineered products.

The results are rather unsurprising, showing that basic tools are the most desired and used. For example, in the ‘awareness stage’, SEO (search engine optimization) is the most highly used current tool with the highest intention to use more in the future; in the ‘interest stage’, videos and webcasts are used and valued for giving customers detailed information about products and services.

So while customers might not receive an Amazon-like shopping experience with current low levels of digitization in B2B markets, the most important tools are those that enable products to be found and described well, as well as those which support customer communications and engagement.

Useful insights in a relatively brief 12 pages.
“A Smarter Way to Jump Into Data Lakes” – McKinsey

In this well written article, McKinsey delivers a practical approach for the deployment of a data lake. The approach is based on Agile principles.

More commonly used by companies as a software deployment approach, McKinsey recommends the Agile methodology for data lake implementation with the promise of the same benefits: better cost management, early product/services deployment to customer, faster value realization, better communication between business and IT, etc..

We particularly like the acknowledgment that there is no right or wrong at the commencement of such a journey – the importance is to take the first step and learn from it.

McKinsey helpfully supports its recommendation with a practical 4-step approach and provides a concrete example of a successful use case.

Informative and thorough, this article is to be read by both IT and business leaders still glued at the business case definition or at design phase of an enterprise-wide Big Data analytics architecture solution.

“How Technology is Changing the Job of the CEO” – McKinsey

This quite interesting article from McKinsey aims at presenting the new challenges of CEOs in the age of fast-changing technology and ever-growing threats from external disrupters. It is a debrief of this year’s Bower Forum, where 75 CEOs gathered, reflected, and shared their experiences.

Beyond the expected stress coming from the exigency for remarkable actions and the demand for external or internal communication within the first 100 days into their role, the real new news of this paper is the acknowledgment (finally, should we say) for the crucial need of a dynamic board team. CEOs can’t afford a board plagued by rheumatism, as it will impede their requirements for agility.

The rest of the paper is common knowledge.

An article to be read in low or high priority depending on personal situation by any CXOs new in their role, as it will reassure them that they are not alone suffering from the 100 days stress.
“Moving to the Cloud?”
– Huron Consulting Group

In this article, the Huron Consulting Group gives us a detailed approach for a successful move to the cloud. Unfortunately, there’s nothing much to take away in it. We feel this article could have been written 10 years ago given the five ‘crucial components’ for success are common knowledge in any organization nowadays.

It is, however, a nice reminder of what a program delivery 101 should look like and could be taught at university. This is good news, as this paper is targeting university CIOs and leaders.
“Mastering Three Strategies of Organic Growth” – McKinsey

This article explores recent McKinsey research suggesting the most successful growth is generated by pursuing a diverse path to organic growth. It states that organic growth is the most critical to a company’s success; companies with higher rates of organic growth outperform those relying on acquisitions.

The authors examine three organic growth strategies:
1. Investing in existing high growth opportunities;
2. Creating new products and services; and
3. Improving execution performance.

While most respondents tended to pursue a single strategy, the growth leaders pursued a more diverse path which incorporated all three.

The article goes further to look at the capabilities and common strengths of top growth firms. It examines what they are doing today, and where their attention is turning for the future. This is an insightful article for anyone looking to accelerate growth.

“Redefining Ecosystems – Insights from the Global C-Suite Study the COO Perspective” – IBM

This report is based on cross-industry input from IBM’s most recent C-Suite Study, with participation from over 1300 COOs globally.

These COOs identify industry convergence as the top trend impacting their businesses, followed by “the anywhere workplace” and rising cyber risk. There is broad agreement that cloud computing, mobile solutions, and IOT will have the biggest impact on firms, with over 50% of COOs calling these out. Such trends are encouraging COOs to review their operating, revenue, and distribution models, and highlight the importance of building ecosystems to deliver more value to customers.

The study uses financial performance and industry reputation to identify the most successful COOs and examines the actions they are taking. This is a useful data-driven approach backed up by examples and plenty of interview quotes. It is a good report and useful guide for those navigating today’s environment.
“CEO 4.0: What it Will Take to Win” – L.E.K Consulting

This brief LEK article explores the rate of change and the high expectations CEOs face today, offering a set of actions to improve success and tenure. The authors call for a new type of leader capable of managing disruption while maintaining adherence to traditional CEO responsibilities.

However, balancing the threat of disruption or the desire to be a disruptor while maintaining stable, predictable results places CEOs in a very difficult position. There isn't anything particularly new in the article but it is a good reminder of the challenges facing CEOs; they should take some comfort knowing that while it is lonely at the top, they are not alone.

A reassuring message for the surprisingly high number of digital laggards across most industries, with McKinsey arguing that there is still time to catch up and avoid becoming Amazon roadkill. However, to do so, they should regard digitization like they would a turnaround: urgent and life threatening. It suggests that creating a sense of crisis will help break down organizational resistance to the necessary digital transformation and spur things on. It then proceeds to sell McKinsey’s pathways to a successful digital transformation.

As usual, there are a few random client examples to illustrate different aspects. There is nothing particularly new in this article, but for its intended audience there doesn’t need to be.

“Learn Fast, Accept Failure & Succeed Often” – Capgemini

A discussion that starts with the potential of automation of processes, before focusing on the causes of IT organizational inertia and resistance to change. The authors advocate for two-speed IT, splitting IT leadership between CIO and CDO – one to keep core systems running, the other to drive digital innovation. It then slips into the familiar agile mantra of learn fast, fail fast, run quick pilots (MVPs) like a startup would, create an “innovation factory” to facilitate collaboration between internal and external teams, and build an ecosystem. A useful short read if you’re unfamiliar with the conflicting objectives of efficient reliability and agile innovation for IT in large organizations.

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.
A short summary from a law firm of the Australian Government’s public consultation process for designing an “open banking” regime, where consumers would be able to make their bank share their data with them and any other financial services providers they choose, including disruptive fintech startups. There are some useful links in the article if you’re interested to follow the discussion. [^1]
“Duplicate Payments Recovery” – Capgemini

A short introduction and synopsis of how to tackle duplicate supplier payments, an area where some basic data analysis can reduce payment outflow leakage and be a quick win if looking for a cost reduction strategy.

“Successfully Navigating Changes to Payments Regulations” – Roland Berger

Comprehensive report on the EU Payment Services Directive 2 (PSD2), detailing the timeline of the directive stemming from 2013 to the implementation through 2019. The origin of the directive focused on reducing fees, settlement times, and costs, putting choice in the hands of consumers and encouraging new challengers in providing financial services and new customer experiences.
“Why Digital Identity is Now a Board-Level Topic” – KPMG

This broadly-written paper sets a stage for why digital identity – and Identity and Access Management (IAM) – have become a board issue. The author covers some trendy issues (like IoT, cloud, etc.) and also travels some familiar ground like regulatory impacts. However, the article stops short of covering all key areas, such as (very surprisingly) Sarbanes Oxley (SoX) compliance and the need for User Access Management (UAM) controls to be effective for financial statement audit purposes. Still, it provides a nice overview of the kinds of broad strategic issues otherwise faced by business and IT organizations, and correctly states the need for ongoing, substantial IAM programs oversighted by the board.

“Securing Mobile Banking Apps” – Accenture

This is a well-written summary and analysis by Accenture and NowSecure, a mobile app security testing and forensics company based in Chicago. It is useful for educating boards and executives. The authors provide a good overview of security challenges faced in deploying banking apps, covering key dimensions such as the mobile app attack surface, the Open Web App Security Project (OWASP) Top 10 Mobile Risks. There is also a vulnerability assessment from late-2016 that included customer-facing mobile banking apps from 15 unique North American financial institutions, which was both illuminating and frightening. Spoiler alert: Google Android did not fare as well as Apple iOS. Anyone thinking they have this issue solved should think again… and test, test, test!
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A New Kind of White Paper

- A peerless synthesis of publicly available information
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- A combination of information from the best available industry sources, from global open-published literature to concentrated subject matter expertise direct from the ICG membership
- Includes numerous case studies and examples of global companies
- References all exhibits to their original sources and lists further reading.

Popular titles include:

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

In this Section:
- Macro Financial Services
- Retail & Business Banking
- Fintech
- Corporate & Investment Banking / Institutional Markets
- Wealth & Advice, Investments, & Fund Management
- General Insurance

A very short and sweet insight that makes a powerful empirical argument for platform-based business model plays that connect customers – although we prefer the term ‘enmesh’ for connecting both customers and suppliers. This strategy is at the heart of the ICG model and is now being copied by more and more of our traditional competitors.

“Build & Protect Firm Reputation” – Accenture

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.

A very worth winner of our Article of the Month.
“2017 Global Distribution & Marketing Consumer Study: The Financial Services Report” – Accenture

Accenture presents its annual survey report of 30,000 customers across 18 countries on banking, insurance, and wealth. The findings are summarized in three sections:

Section 1 identifies five key ‘wants’ (trade data for value – ie. the Johari window model; personalize the experience; tie to a GAFA platform; automate my servicing; and omni-channel the experience), which are then mapped by sector and geography.

Section 2 formulates three personas (digital nomads, price hunters, and a much weaker quality seekers concept) that we have seen before and in other insights reviewed this month.

Section 3 argues for some imperatives or response options which are all very sensible and make for the best reading in the insight.


Classically rich and macro-level insights from the team at MGI. As always, the executive summary provides almost everything you need. The key messages are that cross-border capital flows have halved since the GFC, led by banks heavily retrenching their global operations. The big moves are the Europeans exiting – with the exception of the Spanish – and the continued growth of the Chinese and Russian Banks. McKinsey outlines the rationale for exiting and entering on both sides, providing lots of empirical analysis to show detailed trends.

Worth a read for internal consultants at the major global banks and regulators, but of little value beyond general knowledge to domestic players.
“A New Map for Strategic Growth in Banking” – McKinsey

Simply makes the case that we can no longer rely on ‘developing country status’ as a proxy for the level of banking penetration, as the reverse is now true in some countries. Instead, McKinsey argues for a more sophisticated analysis including capital markets depth, product types and margins, and other local factors.

“Future-Ready Bank” – Accenture

Classically styled and very slick insight which describes the general problems with our industry – and Accenture-oriented solutions to fix it. While it is high level and uses idiosyncratic data points, it makes for easy reading because of some new ideas including a very nice interpretation of three overlapping S-curves showing phases of evolution to being future-ready and becoming a digitally native bank (Figure 1).

Of most value though is a repeated insight that two-thirds of all misconduct cases were the result of teams following normal regulations and that these were previously categorized as low risk. The prescription here is ethics and culture – see our Article of the Month for a deep dive on this topic.
Scaremongering with general prescription from two of Accenture’s partners. It rehashes work seen elsewhere, including digital segmentation, attack from fintech, and GAFA, and business model response options that all of the firms have published (physical/digital hybrid, specialist, distribution platform, and utility). However, this report puts them in a nicely elaborated table form we haven’t seen before. Copy Figure 2, and look up a new case study we haven’t seen before for a generic platform play to build a bank on: Solaris Bank in Berlin.
SHARE YOUR INSIGHTS

You are invited to forward your copy of The Insights Review (TIR) to your colleagues and friends, allowing them to access the same level of quality reviews that save you time each month – whilst also keeping you abreast of the latest thinking from the global management consulting industry.

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Not an article but a marketing brochure for Capgemini's business partnership with the Backbase digital banking platform. The offering includes the design, build, and implementation of an omni-channel customer portal, including customized widgets and consolidated dashboard and reporting tools.

“The Next-Generation Platform for Banks” – IBM

A concise presentation that presses the case for banks to upgrade their mainframe computing platforms so as to meet the rapidly shifting demands of today’s banking world. This will be of interest to bankers and consultants preparing their platform upgrade business cases.

The authors tick through the key arguments in favor of platform enhancement – including processing scalability, operational efficiency, and ability to optimize customer data security, including limiting the movement of data to off-platform systems. The best insights relate to the benefits of upgrading mainframes to support high-end analytical tools and capabilities such as machine learning, in order to process vast volumes of transactions while delivering in-place and simultaneous data analysis.
A clunky article which nonetheless covers much ground across a hot-topic area. With rapid advances in customer data management and digital capabilities, banks are now in a position to develop a unique enterprise-wide digital identity for their customers to manage and optimally respond to disparate requirements across data security, privacy, compliance, and customer engagement. In a rambling fashion, the article seeks to show some steps that banks can take to ensure that their authentication and data security processes remain stringent across multiple channels, while also delivering a customer experience that is consistent with each customer’s unique digital interaction preferences.
KPMG’s latest quarterly report on global fintech investment trends, from angel and VC investments in startups through to corporate venturing and large late stage PE and M&A deals. We’ve reviewed previous editions of this report, and this one is similarly long and full of deal volume and value statistics, allowing comparisons of trends across regions through the same analyses. A useful source of current fintech deal statistics and trends at a macro level – but you won’t find much company or deal specific information.
“Surprising Opportunities In B2B Pricing” – Oliver Wyman

To regular readers of this section of TIR, the first surprise is that this article is not focused on the banks or institutional markets themselves, but on a segment of their customers who provide revenue for them. So, the link is: the better these manufacturing customers perform, the more CIB services they will be able to consume. That cleared up, this brief paper by OW highlights an area of corporate under-performance in business-to-business commerce, namely pricing.

The article first lays out a combination of factors that contribute the aforementioned pricing problems and then presents three levers to address these. These levers will not be a surprise to consultants who also work with clients in the tangible world of things you can see and touch, but for those that spend most of their time in the intangible financial world, these apply here too.
A very short 2-pager from Accenture aimed at asset managers, attempting to simplify the question of how much to outsource to third parties. Experienced practitioners in this area will find their formula significantly over-simplified (it's $A+B\times C=D\ldots$ really!), and there is no new thinking here. On the other hand, mid-level executives new to the area may find it a good starting point for further and far deeper subsequent analysis.
“Preparing to Disrupt & Grow: Insurance CEOs Pick up the Pace” – KPMG

With 100 CEOs (or their office managers) spending valuable time to fill in this annual survey, this reviewer is not convinced it was great use of their time.

Reading the report, one gets a sense that this is journalism not consulting, and you wonder why KPMG didn’t make much more of the dramatic drop in the three-year outlook than they did.

One to skip.

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

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.

"Technology Vision for Insurance 2017" – Accenture

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

Deep-tech startups” are built around unique, differentiated technologies that are hard to reproduce. They are different from startups 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 startups 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 startup’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 startups.
The New Battleground for Marketing-led Growth  
– McKinsey

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’.

“Top 10 Trends in Wealth Management 2017”  
– Capgemini

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’. 
“Empowered for the Future” – KPMG

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’.

“Management Information on Culture” – Deloitte

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.
The Insights Review – Financial Services Edition Team

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

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SEPTEMBER 2017