

August 2015

# The . Insights Review

## Financial Services Edition

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I C G



**COMPLIMENTARY EDITION**

Featuring:

General Strategic Interest  
Retail & Business Banking  
Payments  
Corporate & Investment Banking  
Wealth & Asset Management  
General Insurance

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

Finance & Risk  
Marketing & Customer Experience  
Technology  
Operations & Change

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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.

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

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- Accenture
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- IBM
- KPMG
- McKinsey & Company
- Oliver Wyman
- Promontory
- PwC
- Roland Berger
- Strategy&

# A Message From the Editor

Our August report is just what you need to rev up your thinking as you either return from your Northern Hemisphere break, or start to attack the last quarter in the Southern Hemisphere.

This month the articles blend digital, customer, regulation and the usual suite of annual reviews, reports and surveys.

The stand out firm this month is Accenture – which really surprises with no less than five standout articles, including our ‘Article of the Month’: *Technology Vision for Insurance 2015. Digital Insurance Era: Stretch Your Boundaries.*

Congratulations to all insight authors for a great month of content for internal consultants, and hats off to our reviewers for their efforts to save everyone time and find the pick of the bunch.

- Accenture – “*2015 Global Structural Reform Study: Unlocking the Potential of Global Structural Reform*”;
- Accenture – “*Welcoming a New Phase of Everyday Payments in Europe*”;
- Accenture – “*Generation D Europe Research: Serving the High Net Worth Investor*”;
- Accenture – “*Technology Vision for Insurance 2015. Digital Insurance Era: Stretch Your Boundaries*”  
(Article of the Month);
- Accenture – “*2015 Global Risk Management Study: North American Banking Report – Paths to Prosperity: Choose Risk & Return*”;
- Bain – “*Global Digital Insurance Benchmarking Report 2015*”;
- BCG – “*Closing the Diversity Gap in Silicon Valley*”;

- BCG – “Die Another Day: What Leaders Can Do About the Shrinking Life Expectancy of Corporations”;
- Deloitte – “In the Heat of Corporate Crisis: Mind Over Matter”;
- EY – “Opening up the Capital Markets: FCA Investment & Corporate Banking Market Study”;
- McKinsey – “What Drives Insurance Operating Costs?”;
- McKinsey – “How to Separate Learning Myths from Reality”;
- PwC – “Project Blue 2.0: Redefining Financial Services”;
- PwC – “Insurance Banana Skins 2015”;
- Towers Watson – “Global Alternatives Survey 2015”.

We trust you will enjoy this month’s edition and welcome any feedback you may have at: [david.moloney@internalconsulting.com](mailto:david.moloney@internalconsulting.com).

**David Moloney**

Global Editor

## GENERAL STRATEGIC INTEREST

### ***“Project Blue 2.0: Redefining Financial Services” – PwC***

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

There is a lot to like in this short, sharp, and salient insight.

Most of these catch-all summaries deliver the same set of words repackaged. This version combines some new items, more emphasis on what is important, and artfully packages them with a mix of words and pictures.

The new items included: customer/regulator centric re-invention, quality of life services, and others. Extra emphasis is given to machine-to-machine custom, tax evasion, shadow banking and more.

At ICG, we would add some of the following: managed cannibalization of the back book, new payment rails, value volume skew, digital enmeshment, and platforms and ecosystems (among others).

A must-read for internal consultants and their clients.

### ***“2015 Global Structural Reform Study: Unlocking the Potential of Global Structural Reform” – Accenture***

[View PDF \(20 Pages\)](#)

Some clever work here as Accenture applies a strategic lens to global structural reform. The insight achieves its unstated aims of creating a lot of executive dissonance around the cost and complexity – and constancy – of regulatory change, but also suggests some upside by deploying strategic levers such as localization, specialization, and efficiency of regulatory response.

Internal consultants and their risk clients may find the two-page table on pages 12 and 13 which describes the seven pillars of structural reform as a useful addition to their IP library.

## **“Global CEO Outlook 2015” – KPMG**

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

The most surprising thing about this survey is that KPMG claim such a large sample of survey-worthy CEO's to participate in their survey – 1200, in total and 52 from Australia!

If the CEO's – rather than their offices – filled in the survey, then the results are worth paying attention to (and are mostly about Australia vs. the rest of the world). To demonstrate, the key insights revolve around more M&A, more aggressive postures, more hiring, and more focus fending off global attackers and technology disrupters rather than incumbent competitors.

## RETAIL & BUSINESS BANKING

### ***“The Changing Dynamics of the Mortgage Servicing Landscape” – PwC***

[View PDF \(19 Pages\)](#)

This is an in-depth and very thorough white paper on the US mortgage servicing market compiled by the Mortgage Bankers Association, together with PwC. The development of mortgage servicing rights as a distinct asset, separate from the loan, has been a key feature of the US market over the past 20 years, and has given rise to increasing specialization and the emergence of specialty services, in some cases focusing on specific populations of loans.

The paper describes many of the key trends impacting on the market, including the growth of specialist non-bank servicers, and also the post-GCF re-emergence of small bank lenders. The regulatory landscape is also covered, including an in-depth perspective on capital and liquidity requirements relevant to mortgage servicing.

While many of the trends are US-specific and many do not have direct counterparts in other developed economies, those with an interest in home lending will take much from this analysis.

### ***“Mortgage Landing Shaped by the Customer” – Accenture***

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

A concise and useful article that provides several bite-sized insights into the North American mortgage market, with the headline observation that consumers increasingly see their banking relationship as transactional rather than advice-driven.

It is no surprise that borrowers are price-sensitive and inclined to shop around beyond their primary bank to achieve a better price and smoother transaction. The key takeout is that lenders should focus more on delivering a compelling service experience that embraces digital technology, including thorough use of predictive analytics, online research tools, and online and mobile transaction capabilities.

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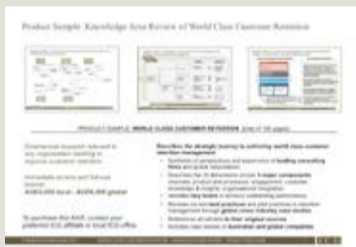
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## PAYMENTS

### ***“The CEO Interview: Hyundai Card on the Power of Brand Translation & the Beauty of Crisis” – McKinsey***

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

This brief article features an interview with the CEO of Hyundai Card (a Korean joint venture between the Hyundai Motor Group and GE Capital). CEO Ted Chung shares his insights on how he has successfully turned around a failing credit card company into a market leading Korean Premium card provider. His message boils down to invest your way out of crises, find a segment niche, and establish a distinctive corporate identity. Time could be better spent elsewhere.

### ***“Welcoming a New Phase of Everyday Payments in Europe” – Accenture***

[View PDF \(20 Pages\)](#)

Although firmly focused on the forthcoming European Revised Payment Services Directive (PSD2) this article provides an informative read for internal consultants with a payments sector brief, wherever they may be.

While the first two sections set the scene around industry and the expected regulatory changes, defining some of the new PSD2 acronyms – PSU (Payment Services User) is the terms used to describe a customer! – the next two sections on likely impact and opportunities make for a more interesting read. In particular, the drive towards push payments (those initiated by the customer to the merchant/payee), supported by increased real time payments availability, and the expanded role for third party processors provide foreshadow significant changes to the existing payments landscape, not only in Europe, but potentially beyond.

#### ICG Featured Product



#### KAR 007 – Digitizing in Business Banking

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## “The Way We Bank Now: World of Change” – EY

[View PDF \(53 Pages\)](#)

This lengthy report produced by EY for the BBA (formerly the British Bankers Association) can be broken down into three parts, with a closing section on the importance of focusing on the customer being merely an advertorial for the authoring companies. The first two sections on the current state of play in the U.K payments sector and the changes that are afoot spruik the BBA member bank achievements and innovations – growth in mobile banking app usage and uptake of contactless payments being among the key news. The report is a compilation of stories (press releases) from BBA member banks and largely glosses over emerging challenges from new market entrants and third parties more clearly articulated in the previous article.

Anyone with the time and inclination to know more about the U.K. payment landscape, as seen from the major banks’ perspective, will find the report of interest; others will find better use for their time.

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### ***“Opening up the Capital Markets: FCA Investment & Corporate Banking Market Study” – EY***

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

A marketing-oriented article from EY, but includes useful ‘heads up’ information on the focus of the UK Financial Conduct Authority’s (FCA) formal market study into competition in corporate and investment banking.

The FCA highlights three major competition themes which are of concern:

- Choice of banks and advisers;
- Limited transparency; and
- Bundling and cross subsidization.

As if the executives in this sector needed more on their plates, the regulatory pressure continues to mount. On the brighter side, this study does present opportunities to get in front of the regulatory response and for CIB firms to seek to engage with the regulator on these topics and proactively demonstrate where their approach is (already) consistent with the objectives being sought by the regulator. No time to waste!

### ***“Delivering Excellence In Corporate Banking” – Oliver Wyman***

[View PDF \(29 Pages\)](#)

Hot on the heels of last month’s TIR-reviewed article (*Transforming Investment Banks – EY*) is this clearly laid out piece by Oliver Wyman on achieving excellence, i.e. “the quality of being outstanding or extremely good”, in corporate banking.

The threats highlighted to gain the attention of corporate banking executives and their internal consultants are the twin, relentless forces of regulation (see previous review as an example) and digitalization.

Seven drivers of excellence in corporate banking are identified as the means to improve both current performance and maintain competitive advantage. The exhibit on page 27 contains a neat summary of the drivers, along with the actions under each that promise short-term and long-term benefits.

While it could be cynically argued that there is not much new and not all options for improvement are covered, the suggestions are at a level of granularity and specificity that will be of much utility for those in corporate banking who are of a mind to endeavour that their business remains relevant and avoids disruption.

## WEALTH & ASSET MANAGEMENT

### ***“Generation D Europe Research: Serving the High Net Worth Investor” – Accenture***

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

Accenture’s research on the digital needs and preferences of high net worth investors underscores the importance of rigorous segmentation in developing an effective digital strategy.

Much of the findings emphasise the role of digital in complementing rather than replacing an advisor in the HNW relationship. Some of the more interesting findings, though, show the extent to which digital can be used to add new sources of value in the relationship, including meeting the HNW investor’s interest in learning more about investing.

The research also contrasts the digital preferences of HNW investors with those of the affluent and mass market segments, identifying some clear points of difference.

A worthwhile read for wealth management strategists and marketers looking to test their thinking about the digital needs of HNW clients, and how best to meet them.

### ***“Global Asset Management 2015: Sparking Growth with Go-to-Market Excellence” – BCG***

[View PDF \(29 Pages\)](#)

This is the 13th annual report by BCG into the evolution of the global asset management industry. The report discusses three independent topics: a global industry update; a framework for marketing; and the challenges for wealth firms seeking growth in Asia.

The industry snapshot makes for interesting reading, citing the continuing trend away from actively managed funds. The marketing section could easily be dropped out altogether – it is essentially marketing 101, and readers will miss nothing by skipping it. The Asian section holds some interest (albeit at a high level only), discussing the explosive growth prospects from China and India and the challenges facing firms seeking to tap in.

Heads of distribution or strategy may find some interest, but ultimately the article is a case of “nothing much to see here... move along”.

#### ICG Featured Product

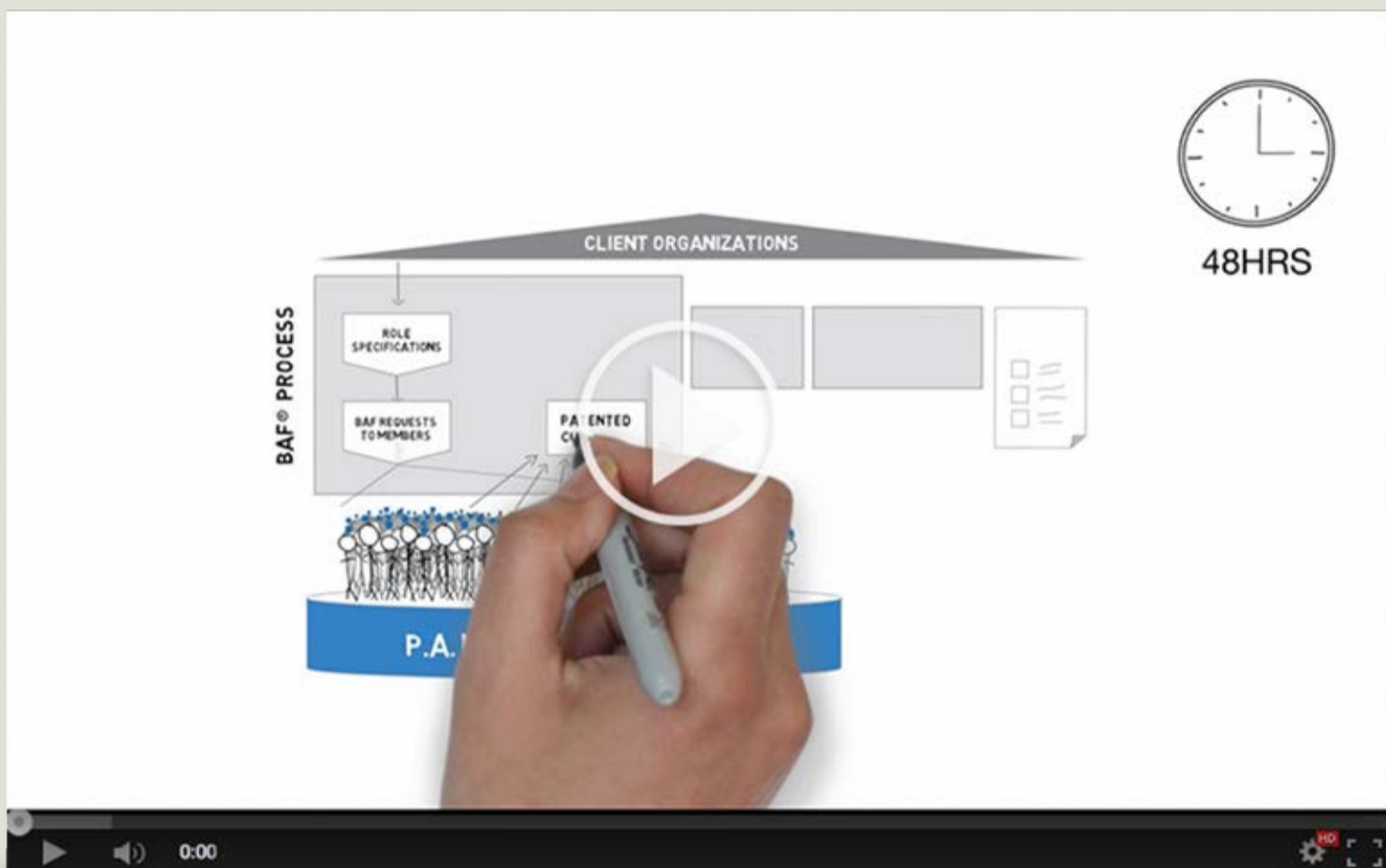


#### KAR 017 – The Future & Implications of the Evolving Payments System

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## ***“Evolution of the Mutual Fund Transfer Agent: Embracing the Challenges & Opportunities”*** **– PwC**

[View PDF \(20 Pages\)](#)

An excellent deep-dive from PwC about the challenges facing the US transfer agent sector from “omnibus accounting”. While traditionally assigned to maintain investor records on behalf of mutual funds, an increase in the role of intermediaries (e.g. broker-dealers) seeking to add value is reducing transaction volume for transfer agents. The article describes the issues in detail and postulates how data can be used to re-assert relevance. While certainly not the first in-depth discussion of the structural changes in the transfer agent sector, it does bring the latest thinking neatly into one article. Important reading for US-based C-suite and strategy consultants to the sector.

## ***“Global Alternatives Survey 2015”*** **– Towers Watson**

[View PDF \(99 Pages\)](#)

At 99 pages, Towers Watson (in conjunction with *The Financial Times*) presents a comprehensive survey of the global alternatives investment market.

Much of the report (82 pages) is given over to Top 100 asset manager rankings (by AuM) for various alternative asset classes, with useful breakdowns by investor type and geographic region.

The first section of the report provides an engaging (and thankfully condensed) snapshot of the evolving landscape and outlook for major alternative asset classes. Insights on investment trends in real assets (e.g. timber and agriculture) on page 11 are particularly noteworthy, drawing out key themes driving investment attractiveness, including access to resource scarcity and climate change.

Alternative assets managers seeking to understand the key trends shaping the supply and demand for their services and investment products will benefit from the survey’s insights. Others looking for an informative industry overview will also find a good guide.

## GENERAL INSURANCE

### “Global Insurance Insights: A Detailed Analysis of Trends that Shape the Industry” – McKinsey

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

A 4-page overview flyer setting out the content of a well-established and comprehensive subscription database from McKinsey, providing global insights across Life, Non-life and Health sectors globally.

Key messages for the 2014 version include: Health growing strongest globally and ongoing sub-100 CORs; Life growing well; Non-life steady with improved returns; Top 5 positions in markets helpful in main in mature markets; M&A seen as still low and continuing given free capital constraints.

A positive overview at macro level – as always, the devil is in the detail.

### “Global Digital Insurance Benchmarking Report 2015” – Bain

[View PDF \(42 Pages\)](#)

Another 40 page report talking to ‘pathways to success in a digital world’. This article is a very good compliment to the Accenture article (following page), and in many ways provides a far more granular view of the current state of activity in the digital world of insurance.

The link to the excellent (and previously TIR-reviewed) Bain article ‘Leading a Digital transformation in insurance’ provides a strong base from which to read this insightful, data-rich article. The themes benchmarked are similar in theme to the Accenture article, but are more grounded in research-rich analysis of the next 5 years and the work already in place and planned from this study.

Whilst less strategic and more benchmarking-focussed, this is also a must read for executives and internal consultants alike – and an excellent perspective when comparing with the Accenture article.

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## ***“Technology Vision for Insurance 2015. Digital Insurance Era: Stretch Your Boundaries”*** – Accenture

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

Like the preceding Bain article, this 40-page report is another must-read for executives and internal consultants alike.

This is the best view your review has seen of the interlocking pieces currently seen as ‘digital’ in insurance.

- The article talks to five key themes:
- The internet of me;
- Outcome economy;
- The Platform (R)evolution;
- The Intelligent Enterprise;
- Workforce Reimagined.

The themes are all well-developed at the strategic level. Detailed views on short- and medium-term plans to embrace and deliver are then set out in a well-ordered and challenging way.

Supporting all of the above are insightful case studies, examples, and compelling research findings showing how much traction is already being made by the companies that ‘get it’ in the insurance world, moving from ‘me’ to ‘we’.

A compelling piece from the well-established technology laboratories within Accenture.

## ***“Transforming the Insurance Sector: How Machines will Change the Game for Insurers”*** – KPMG

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

Following two digital industry-wide pieces from Accenture and Bain, this 4-page flyer from KPMG out of the UK provides a snap-shot – but a nevertheless compelling case – for the use of machine learning for insurers to address process inefficiency. It is grounded in a KPMG proof-of-concept offering.

Some very bold statements on outcomes possible would place this as a no-brainer to explore further for all internal consulting teams with a focus on efficiency improvements.

*Article of the Month*

## “What Drives Insurance Operating Costs” – McKinsey

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

A third 4-pager flyer, this time from McKinsey. It takes readers into an expense containment view of insurance in the context of key cost drivers – which are often held out as immovable – and provides a balance in some ways to the more customer-centric focussed articles above.

The key tenet is that whilst most insurer operational and processing costs are able to be reduced whilst maintaining or improving customer outcomes, this is then put into stark relief by a proposal that the bulk of insurer costs over-run is actually focussed on management of the companies.

Some tight bytes on themes to drive the reader to the full ‘[Successfully reducing insurance operating costs: Insights from McKinsey’s Insurance 360° benchmarking](#)’ article; they make for a compelling short read for both executives and internal consultants.

## “Insurance Banana Skins 2015” – PwC

[View PDF \(44 Pages\)](#)

This is the fifth ‘banana skins’ survey that CFSI and PwC have carried out for the insurance industry – and it is one of the most interesting. At 44 pages long, there is great value in the findings gathered globally with both data analytics covered fully supported by anecdotes and real life examples. Your reviewer has been personally involved in the production of previous reports and would encourage all insurance practitioners to read this particular one.

A compelling and challenging read helping to glue together many of the articles reviewed in this month’s, and previous 2015 editions of, *The Insights Review*.

### ICG Featured Product



### KAR 009 – Best Practices in Relationship Management

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## ***“Claims Transformations: Riding the Wave to Sustainable Results”*** **– EY**

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

A 10-page view of the perennial claims transformation articles reviewed regularly in this insights series. The article gives a crisp overview of the case for claims transformation – and the tensions between cost containment of delivery versus emerging customer outcomes delivery needs – at the heart of insurer claims delivery.

The remainder of the piece sets out the EY capabilities and suggested approaches, supported by four cases studies with a US focus.

Useful to internal consultants focussed on claims delivery, with linkages to the wider digital opportunities reviewed elsewhere in this month’s articles.

### ICG Featured Product



### KAR 019 – The Future of Integrated Health & Life Protection Insurance & Prevention

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### ***“Die Another Day: What Leaders Can Do About the Shrinking Life Expectancy of Corporations” – BCG***

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

BCG shines here with a deeply thoughtful and creatively analytical insight. While it is engineered for contrast (using UN life expectancy rather than OECD expectancy), the story is the same: companies are dying much faster and living only 30 years rather than the 60 years they used to before death (which includes acquisition).

What follows are some creative statistics, scaring CEOs with the news they are facing a one-in-three chance of not surviving five years (we suspect many would happily recommend to their board they accept a takeover premium).

The rest of the article is both a sales pitch for a governance review and the need for strategic agility communicated five ways.

While BCG shines, we refer internal consultants to ICG’s even more compelling (and robust) Industry Disruption Scan (IDS) and [industry radar tools](#).

### ***“Growing Beyond the Core Business” – McKinsey***

[View PDF \(7 Pages\)](#)

An unusual article from a relatively junior team at McKinsey – using a smallish global survey of C-suites, they appear to over-egg their analysis of Ansoff-style growth success from what appears to be a lackadaisical sample.

The conclusions are unsurprising – and we would contend that strategic cohesion is more compelling than finding growth close to home. We suggest internal consultants might be better off reading the McKinsey classic *Granularity of Growth* and diving deeper into case studies of players like 3M who have publicly made a business from re-inventing their sources of revenue.

## “Getting Fit for Transformation” – BCG

[View PDF \(7 Pages\)](#)

A fitness check for the technology function when they are critical or are asked to support organizational transformation. The insight is only a teaser, but offers a useful taxonomy of IT capabilities and their relevance to different types of transformation (core systems, digital and structural cost).

At ICG, we like to use capability trajectories as they can paint an aspirational road map and offer leapfrog opportunities that can be aligned to the strategy.

Like most gyms offering free visit passes or fitness assessments, there is only one motivation here – so we suggest internal consultants take on board Exhibit 2 as their own fitness assessment tool for IT-enabled transformation.

## “Strategic Business Transformation” – Roland Berger

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

An important insight that becomes cuckoo clock quaint because of the English translation error and overly engineered approach to the problem it is trying to address.

However, the key messages that transformations are marathons not sprints, and runners need to overcome adversity, uncertainty, lack of clarity and need stamina, persistence, teaming, momentum results and cheering crowds will not be lost on internal consultants who now increasingly bear the brunt of these efforts.

Our Global Thought Leader, [Jeroen de Flander](#) has written extensively on this topic and will be a keynote at our upcoming [Transformation Leader’s Summit in Sydney this November](#).

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## ***“Strategic Product Value Management: How Companies Can Improve Innovation, Reduce Costs & Mitigate Risks” – Strategy&***

[View PDF \(16 Pages\)](#)

A refreshing article about product innovation from a principal at PwC’s sub-brand. The basic idea is that companies either review products with a design-to-cost or design-to-value approach; a combined approach reduces some of the risks of a single approach, especially when budgets for incremental innovations are shrinking and companies are targeting bolder innovations that move the dial.

We liked the term “elegance creep”, which points to the over-engineering and embellishment of products during the design stage.

A useful reminder of some fundamentals of product and product portfolio review exercises for internal consultants.

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### ***“The 2015 Value Creators Report: Value Creation for the Rest of Us” – BCG***

[View PDF \(44 Pages\)](#)

A 44-page package of articles and appendices connected by the theme of value creation in the eyes of shareholders, using the metric of TSR. If you like league table statistics and discovering the amazingly high performances of companies you may never have heard of, then read on; similarly, if you are unfamiliar with TSR as a metric and its use in identifying and prioritizing value creation initiatives.

The first part and appendices are Top-10 TSR league tables, updating BCG’s annual survey of value creation by the world’s 2000 largest listed companies. The Top-10 overall includes companies from a wide range of industries, proving the rule that you can find stars even in dog industries. Comparison relative to peers in an industry is more insightful, but is still at the risk from comparing apples with oranges, as even large global firms have different positions across countries.

The second part contains two random case studies of the transformation journeys of companies (at least one a BCG client) doing well in spite of their industry. Including them seems self-serving as neither company makes the Top-10 in their industry lists.

The third part describes BCG’s value creation transformation framework and pre-empting activist investors by applying a valuation screen to you – but if they do come calling, you can refer to the review in our July edition of Bain’s guide on how to respond.

### ***“Why Emerging-market Companies Acquire Abroad” – McKinsey***

[View PDF \(3 Pages\)](#)

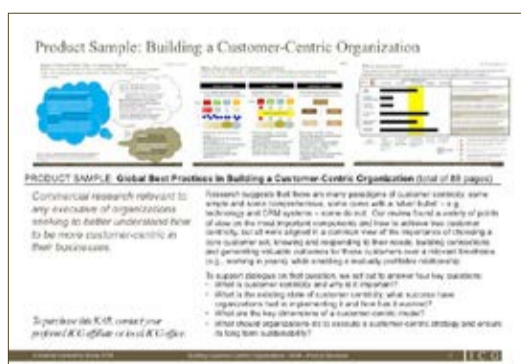
A short piece of analysis of cross-border M&A deals over the period 2000-2013, comparing the rationales of acquirers from emerging countries to those from developed countries. The main point worth noting is that acquirers from emerging countries are increasingly buying overseas to enter new markets, although acquiring new capabilities to apply back home is still their most common reason.

## ***“Post-merger Integration” – Roland Berger***

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

With M&A back in fashion, fuelled by cheap finance and recovering economies, this is Roland Berger’s sales pitch for their PMI services to mitigate the high risk of merger synergies not being realized, or worse. The document repackages familiar statistics and KSFs into an undifferentiated framework. There are many books available for better advice on this important topic.

### ICG Featured Product



### KAR 016 – Global Best Practices in Building a Customer-Centric Organization

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### ***“In the Heat of Corporate Crisis: Mind Over Matter” – Deloitte***

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

An excellent article looking at cognitive biases and pitfalls in dealing with the crisis.

Deloitte provides an excellent framework for institutionalizing processes and approaches to crisis management that eliminate confusion and group think, and provides a more solid foundation for a measured and considered response to an emerging crisis.

### ***“An International Regulatory Push for Enhanced Risk Governance” – EY***

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

A solid article from EY’s Risk Governance 2020 series, outlining the recent changes to Basel Committee on Banking Supervision (BCBS) Governance Principles for Banks.

These mostly focus on higher expectations for boards collectively and directors individually, a much stronger focus on fully functioning three lines of defence, an elevated focus on risk culture, and more detailed expectations of boards and management in regard to key new regulatory requirements.

A good article for any risk and compliance consultant looking to understand the evolving nature and organizational implications of expectations being laid down by the BCBS.

## “Basel III/Prudential Breakfast Briefing Series” – PwC

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


An easy-to-read, high-level overview on capital implications of the new Standardised Approach for Calculating Counterparty Risk (SA-CCR) associated with over-the-counter derivatives, exchanges-traded derivatives and long settlement transactions.

The article also looks at how the data requirements for the new standard align with other emerging regulatory data requirements.

A good read for any internal consultant looking to understand the impact of emerging regulations on capital requirements, or helping the client build reporting capabilities to support the new regulatory regimes.

### ICG Featured Product

Product Sample: Knowledge Area Review of World Class Customer Retention



**PRODUCT SAMPLE: WORLD CLASS CUSTOMER RETENTION (out of 100 pages)**

Comprehensive research relevant to any organisation seeking to improve customer retention.

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- Review current best practice and prior practices to inform management through global cross industry case studies
- Reference all content to their original sources
- Includes case studies of Australian and global companies

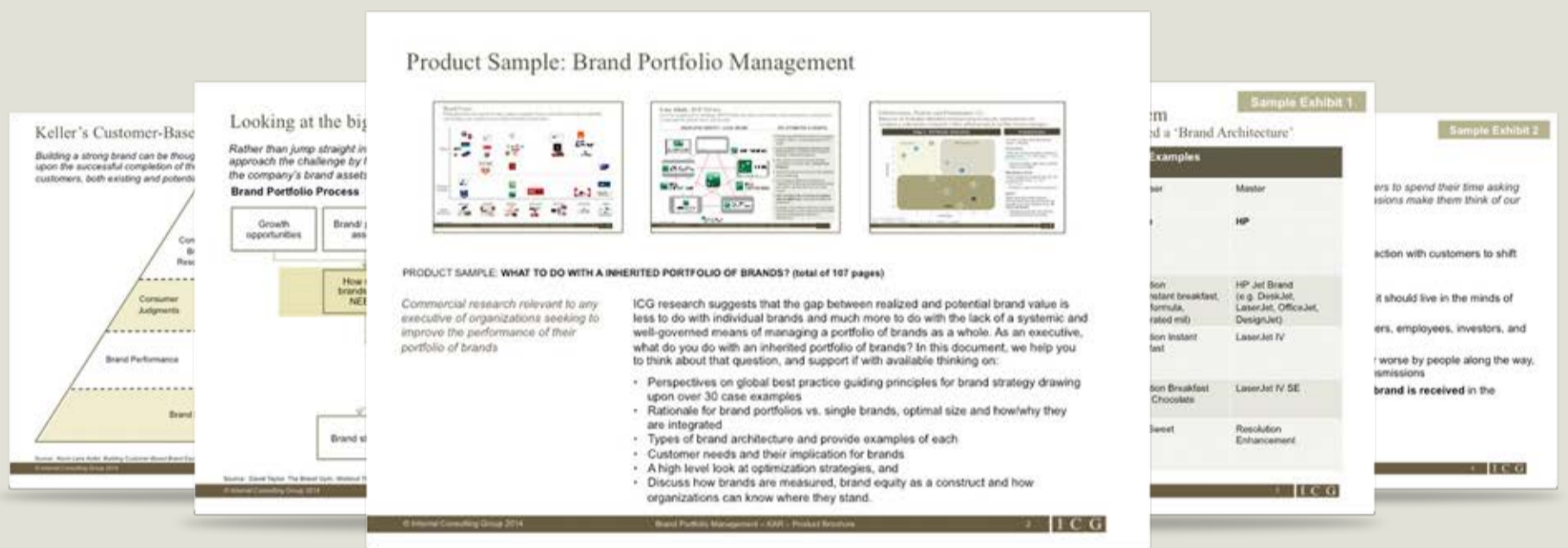
### KAR 010 – World Class Customer Retention

[Download a Sample](#)

# KAR 014

## Brand Portfolio Management

Information-rich slides with synthesized knowledge, categorized insights, and data visualizations, this Knowledge Area Review (KAR) describes what to do with an inherited portfolio of brands.



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Available to purchase via the ICG Store

ICG research suggests that the gap between realised and potential brand value is less to do with individual brands and much more to do with the lack of a systemic and well-governed means of managing a portfolio of brands as a whole. As an executive, what do you do with an inherited portfolio of brands?

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## HUMAN CAPITAL

### ***“Will Today’s Graduates Want to Work for You?” – Accenture***

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

This is a short read summarizing Accenture Strategy’s 2015 UK university graduate survey. A key insight is that only one in five graduates wish to work for a large company, with many more preferring to work for a medium sized or start-up company.

Other ‘softer’ preferences matter too – the majority are willing to trade off lower salaries with being able to work for ‘fun’ companies with positive social atmospheres, and/or companies with a commitment to the environment or social impact.

Beyond the above, however, only a couple more insights will reward the reader for clicking on the link. In general, the article is light – fine for high-level thought starters, but insufficient to base a recruitment strategy on.

### ***“How to Separate Learning Myths from Reality” – McKinsey***

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

A very interesting piece from McKinsey this month that seeks to debunk three common myths about learning and the brain, or “neuromyths” as the authors call them. The three are that further brain development is dramatically curtailed after the early childhood years; that half the brain is inactive at any given time; and finally, that people can only learn in their preferred style (e.g. either left brained or right brained, but never both).

Fascinating stuff and well worth a read.

## DIVERSITY

**“Closing the Diversity Gap in Silicon Valley” – BCG**[View PDF \(6 Pages\)](#)

The article profiles Kaiser Permanente’s Chief Diversity Officer Dr Ronald Copeland, who provides a welcome extension of existing thinking about diversity. As research shows (See The Insights Review July Edition for *Female Millennials in Financial Services: Strategies for a New Era of Talent* and June edition for *The Radical Transformation of Diversity and Inclusion: The Millennial Influence*) diversity and inclusion are essential to business success, and the culture in many companies assumes diversity as an integral part of doing business.

Forward-thinking companies are exploring other ways to maximise employee potential. Dr. Copeland shows how Kaiser Permanent is moving beyond traditional demographic categories of diversity and supporting diversity of perspectives, life experiences, and thinking as drivers of innovation. Kaiser Permanent is hard-wiring diversity into the organization for maximum benefit.

The lead article in *Harvard Business Review* September 2015 entitled *The Evolution of Design Thinking* also highlights the need for embedding a culture of innovation into a company, showing that the payoff is high.

The lessons from Kaiser Permanent are applied to Silicon Valley. More and more companies understand the principles for a successful approach to diversity: big picture thinking, company-wide alignment with mission and strategy, leadership commitment, creating a compelling business case, and embedding metrics.

The principles are now new but the big picture thinking is. Dr Copeland provides forward thinking and application.

## FINANCE & RISK

### *“Business Resilience in the Face of Cyber Risk” – Accenture*

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

A pretty generic article with no real actionable insights. There are a number of better articles with solid frameworks addressing the issue of effective management of cyber risk.

### *“2015 Global Risk Management Study: North American Banking Report” – Accenture*

[View PDF \(20 Pages\)](#)

An excellent and very timely article addressing the importance of evolving the risk function to become a key partner in facilitating digital transformation underpinning the next wave of profitable growth.

This is a must-read for any executive or internal consultant looking to drive digital change, and for any risk executive or internal consultant looking for ways to transform the risk function to support that.



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## ***“Leading Insurers Address Reputation & its Risks” – EY***

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

A good article from EY’s Insurance Governance Leadership Network View Points series.

It provides a summary of roundtable conversations of senior insurance company executives discussing the issues around importance of managing reputational risk, and the most common reputational risk drivers encountered by the executives.

A good read for any internal consultant looking for a C-suite level of view, and sentiments around managing reputational risk.

## ***“Navigating Amongst Icebergs: Leading Insurers Address Emerging Risk” – EY***

[View PDF \(20 Pages\)](#)

Another good article from EY’s Insurance Governance Leadership Network View Points series.

This article addresses issues faced by senior insurance executives in managing and prioritising emerging risks.

The article provides both the framework for governance of the emerging risks, as well as insights regarding the key emerging risks in the eyes of the executives at the roundtable.

Again, a good read for internal consultants seeking a C-suite viewpoint.

### ICG Featured Product



### KAR 020 – New Business Models for Small to Medium Enterprises

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### ***“Digital Trust in the Internet of Things Era” – Accenture***

[View PDF \(16 Pages\)](#)

Accenture reviews the importance of building digital trust, the high tech currency that companies should be investing in and leveraging to gain a competitive advantage within IoT (Internet of Things) business and technology opportunities.

The article highlights the unprecedented amount of personal data being collected and the immense commercial opportunities that await companies who are able to effectively apply Accenture’s four keys to digital trust (accountability, security, privacy, and benefit/value) along with its three key recommendations for immediate implementation.

A high-level article exploring the importance of fostering digital trust as IoT matures, it is a good thought-starter. It will be of value for companies reviewing their security protocols in converting customer data into meaningful insights in order to drive highly relevant and revenue-generating services and applications, knowing the integration of connected IoT devices with customer lifestyles will continue to trend over the next decade.

### ***“The Future of Customer Loyalty: Building a Next-generation Reward Programme” – Oliver Wyman***

[View PDF \(11 Pages\)](#)

This useful article reflects commonly accepted marketing thinking in suggesting that winning programs must seek to know the customer more deeply, communicate more frequently, be more personal, and add value in new, non-traditional (non-transactional) ways. It argues that new-style loyalty programs can drive competitive advantage through creating deeper customer engagement. Conversely, it suggests that old-school – i.e. transaction based – programs are increasingly likely to become costly and non-differentiated. It explains how new competitors (including brands themselves and third parties such as payment system providers) are disrupting the market and how customers are expecting more in terms of technology and customer knowledge. It provides some interesting loyalty program examples, talks briefly about economics and suggests that successful programs need a new, almost ‘agile’, approach – or ‘start up mentality’ – in the way they are set up, evaluated, and managed.

#### ICG Featured Product

**Product Sample: Knowledge Area Review 'Digitisation in Retail Banking'**

**KAR**

**PRODUCT SAMPLE: DIGITISATION IN RETAIL BANKING (total of 126 pages)**

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**A wide-ranging and comprehensive review of the recent strategic thinking around the impact of digitisation on retail banking**

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- Builds case that digital is only part of a seamless omni-channel offering and profiles 6 major impacts and enablers of this offering through analysis and case studies
- Builds case that as financial services integrates into lifestyle, banks will have to partner with innovative competitors, and profiles 11 key areas of innovation through analysis and case studies
- Includes numerous case studies and examples of Australian and global companies
- Summarises key messages, references all exhibits to their original sources and lists further reading

**KAR 008 - Digitization in Retail Banking**

[Download a Sample](#)

### ***“Putting Digital Process Innovation at the Center of Organizational Change” – McKinsey***

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

Businesses often transform via M&A activity. It used to be good enough to focus on the systems integration aspects to be successful.

McKinsey rightly argues that this change cannot ignore Digital Process Innovation and they provide some great examples from the Medical Device industry, where a shift of mindset has provided some significant benefits.

### ***“Repelling the Cyber Attackers” – McKinsey***


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

There is a growing awareness that this is not a domain you can ‘control’, instead the focus has to be around your digital resilience.

You can’t buy your way to success nor are there silver bullets. Having the team engage with the business and having a robust portfolio of interconnected safeguards are just some of the key ingredients to repelling the cyber enemy.

#### ICG Featured Product

**Effective cost reduction is not just about common sense**  
*“Like in many other things in life, it requires experience to do it right and avoid costly pitfalls. Do things more like them, with as many ‘hats’ as managers being paid for, and you will reduce costs, too. Identifying the right approach, capability and tools to get the process to critical.”*



**PRODUCT SAMPLE: BANK COST REDUCTION PROGRAMS (Total of 143 pages)**

Commercial research relevant to any organization seeking to enhance or embed an a cost reduction strategy

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- How do Banks think about costs and what are the key issues they face at their expense?
- What do Banks do to manage costs?
- How do Banks think about the impact of complex and cross-functional initiatives?
- What are the critical aspects of managing a cost reduction program?
- What should banks and their stakeholders key considerations be in managing a single initiative or a portfolio of cost reduction initiatives?

**KAR 018 – Bank Cost Reduction Program**

[Download a Sample](#)

## “What ‘Digital’ Really Means” – McKinsey

[View PDF \(3 Pages\)](#)

There are a few words that many of us are tired of hearing – Digital and Uber are two examples of over-used English language.

‘Digital’ is a word that means many different things, and there are great variances in understanding. A common vocab is critical in ensuring that the digital agenda progresses. In short, McKinsey argues “digital should be seen less as a thing and more a way of doing things.”

Worth a read – not ground-breaking, but it could help you understand how Digital can be easily misinterpreted.

### ICG Featured Product



### KAR 015 – Virtualization in Financial Services

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## OPERATIONS & CHANGE

### ***“Want to Become Agile? Learn from Your IT Team” – McKinsey***

[View PDF \(3 Pages\)](#)

A nice, brief article paralleling aspects of “agile” application to IT developments with potential application in the balance of the business. Worth a 5min read... and if the topic of agile and broader application is intriguing, we recommend the seminal text *Scrum – The Art of Doing Twice the Work in Half the Time* by Jeff Sutherland.

### ***“Changing Change Management” – McKinsey***

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

Another brief synopsis outlining the application of timely information to frontline employees (sales, operations, etc.) and how this empowers them... not really linked to change management per se, but a good idea nonetheless!

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# About ICG

## The ICG Business Model

ICG is one of the world's fastest growing consulting and project services firms.

We are uniquely positioned to offer clients any permutation of expertise and experience in almost any field, with a level of competence and value that exceeds that of traditional consulting alternatives.

Our business model is consistent with future models of work: it brings together adhocracies (temporary project-based teams that capture opportunities, solve problems, and get results) and facilitates expertise and capacity augmentation. Our model is based on three key tenets: transparency to clients and affiliates; opt-in participation by all stakeholders; and a market-based model to ensure the very highest talent quality supported by a professional association like organization.

## Open Architecture Platform

ICG has built an open architecture consulting and project services platform with 5 key planks:

- **Professional Consultants:** Unbundled or team based Consulting, Project Services, Subject Matter Experts, and Strategy Support – from Analyst to Senior Partner (all selected via our unique Best Affiliate Forward – BAF® – process)
- **Products or methods:** The world's most powerful consulting products and methodologies accessible through a globally curated platform that ensures the right level of implementation support and accreditation to ensure success
- **Publications:** The world's most powerful library of unbundled consulting and project services IP to support your next project whether a new titles or drawn from our extensive library.
- **Training:** The world's leading training platform to upgrade your team's capabilities to the levels associated with the leading external brands
- **Unbundled Services:** Production, research, project support, event support and more to glue the above four planks together seamlessly with your team.

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## Mission & Vision Statement

**Mission:** To help professionalize the freelance, boutique and internal consulting industries around the world.

**Vision:** To be the world's leading supplier of unbundled consulting, project services, capability building and professional association in the management consulting industry.

## Confidentiality & Intellectual Property

ICG does not wish to disclose the identity of its clients, nor will it, without their express written authorization.

Our clients include local, regional and global organizations across the private, public and not for profit sectors. Our clients span almost every major industry and sub sector. Client references are available from board members, CEOs, C-suites, executives and middle management who enthusiastically support the model of working with client-selected, experienced affiliates who are dedicated and fit for purpose, rather than the less experienced consultants with fly-in support provided by traditional models.

ICG does not re-use client intellectual property. Our work with clients is solely for their use. Our affiliates can only transfer their expertise and publicly-sourced materials such as Knowledge Area Reviews (KARs), not your benchmarks or confidential business model information.

Through a rapidly expanding global footprint of HUBs, we are uniquely placed to introduce you directly to global best practice case studies, global experts, and directly to your global peers at our non-competing clients.

## Insurers, Bankers, Accountants & Management

Our Insurance Broker is Marsh – they have developed market-leading insurance solutions for our affiliates and secure ICG's access to Professional Indemnity Cover and Public Liability Cover at levels required by our clients.

Our bankers are HSBC – they help us operate both local currency and multi-currency accounts for our operations.

We maintain a full suite of detailed due diligence materials for those clients and partners wishing to explore major contracts with us.

## Further Information or Enquiries:

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