

July 2015

The . Insights Review

Financial Services Edition

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Featuring:

- General Strategic Interest
- Fintech, Disruption & Innovation
- Corporate & Institutional Banking
- Wealth & Asset Management
- Insurance
- Life Insurance

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

Access to Full Reports

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

Links are current at time of publication.

Insight Sources

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

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

A Message From the Editor

Another hectic month for our global research and reviewer teams, scouring the consulting industry for the most relevant articles and then saving you time by ensuring you read only those with the insight you are looking for.

This month's Article of the Month is by Capgemini and is distinguished by insights – extending across industry sectors – on how Big Data can transform customer satisfaction.

We hope you enjoy this month's edition – don't hesitate to contact your preferred Affiliate to request off-site reading lists, customized collations, or research support for your next off site or project. Enjoy!

Articles of merit include:

- Accenture – “Banking Strategies for the Future: Looking Ahead to 2020”;
- Accenture – “Getting Ahead by Cutting Back: Using Zero-based Budgeting to Fuel Growth”;
- Accenture – “Fintech New York: Partnerships, Platforms & Open Innovation”
- Bain – “Management Tools & Trends 2015”;
- Bain – “Tackling Complexity: How to Create Simple & Effective Organizations”;
- BCG – “Global Wealth 2015: Winning the Growth Game”;
- Capgemini – “World Wealth Report 2015”;
- Capgemini – “Fixing the Insurance Industry: How Big Data can Transform Customer Satisfaction” (Article of the Month);
- Deloitte – “Future of Financial Services”;
- Deloitte – “Women in the Boardroom: A Global Perspective”;

- EY – “The Why & How of Simplified Customer Communications”;
- KPMG – “The New Inconvenient Truth. Social Media: Too Big for Wealth Managers to Ignore?”;
- McKinsey – “Overcoming Obstacles to Effective Scenario Planning”;
- McKinsey – “Getting Organizational Redesign Right”;
- PwC – “Not a Game of Chance: The Case for Stronger Collateral Management”;
- PwC – “Insurance 2020 & Beyond: Necessity is the Mother of Reinvention”.

We trust you will enjoy this month’s edition and welcome any feedback you may have at: publications@internalconsulting.com.

David Moloney

Global Editor

GENERAL STRATEGIC INTEREST

“Future of Financial Services” – Deloitte

[View PDF \(178 Pages\)](#)

Don't be intimidated by this report's size. Rather, check out the wisdom of a global 'who's who' crowd neatly packaged by Deloitte into a very accessible and modular report. Using a qualitative clustering tool, they have created a useful working map of disruption and started to ask the harder questions of how and when? While the newness of some cases to our audience and inherent insight is highly variable, there is little harm from drilling down into the sections that relate most to your business. Internal consulting teams would do well to build on a base like this rather than start from scratch every time they kick off such a project.

“Stand Out For the Right Reasons: Why You Can't Scare Bankers Into Doing the Right Thing” – PwC

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

Smart but simple stuff from PwC, which has partnered with LBS on a behavioral economics research study to measure the impact of framing on anxiety levels. Smart because they piggyback LBS to influence regulators and clients; simple because the outcome was always clear – painting outcomes in a positive light incentivizes better outcomes by reducing anxiety by 15% and avoiding a doubling of the likelihood of unethical behavior (an especially tough one to measure using a self-reporting instrument!).

“The CEO Interview: Pushing to Build Asia’s Biggest Bank” – McKinsey

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

If you have an interest in Indonesian banking or want some data on how the emerging middle class are changing banking revenue pools, this is for you. Other readers will like the early development of an incubator fund and how the CEO personally intervened in everything from detailed interface design to deal making; yet others will see this as McKinsey endorsing current and future clients.

“Banking Strategies for the Future: Looking Ahead to 2020” – Accenture

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

As you read this article, you start to hope AT Kearney haven’t actually done this work for a client at exorbitant cost and are now sharing it globally.

For internal consultants it maps out a 2x2 scenario analysis across technology disruption and macro-economic impacts. Sensible stuff, with well to very well elaborated and articulated reasoning. Arie De Gus (the fellow from Shell) might suggest exploring other dimensions and reading the excellent book by one of his disciples, *Strategic Conversations*. For those with less time, reference McKinsey’s new “cheat sheet” in the strategy section.

“Fintech New York: Partnerships, Platforms & Open Innovation” – Accenture

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

Another update from Accenture on one of the Fintech Innovation Labs it runs in several global financial services hubs, this one focuses on New York. This is a good tour, worth scanning, of the rapidly-growing Fintech scene, the different types of players involved, their rationales, and their areas of focus and investment. It has good examples of start-ups and their collaborations with banks, wealth managers, and insurers. While all about New York, the key points and trends are relevant for aspiring Fintech hubs everywhere – as well as for financial institutions still mulling over ecosystem collaboration, technologies like blockchain, mobile and cloud, and cybersecurity. It is notable how embryonic insurers are compared to banks in these regards. Also notable is how important the pre-existing financial services ecosystem is to the vitality of a Fintech hub. As has been learnt from the many efforts to replicate Silicon Valley, location matters!

“Decoding Financial-technology Innovation” – McKinsey

[View PDF \(2 Pages\)](#)

A very brief analysis of the extent to which each banking revenue pool is being attacked by Fintech startups and disruptive innovators. First it was payments, now they’re going after the bigger revenue pools of lending, deposits, savings, and investments. No insight here, just quantifying trends easily observed.

“Transforming Investment Banks” – EY

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

A well-structured article by EY setting out a framework for the transformation of an investment bank. There have been many articles reviewed in this section in previous issues of the *TIR* that have a similar underlying premise – that is, investment banking can no longer deal with its challenges via piecemeal tactical change efforts and a strategic business transformation is what is required.

EY sets out four pillars of change, which your reviewer would describe as value domains (i.e. areas on which to focus to extract value). These are: optimize assets and operations, transform culture, become client-centric, and be technology-led. Notice that all of these are across the business domains, and not based on internal silos. The article also lists four ‘outcomes’ viz.: efficient, in control, trusted, and digital, which your reviewer suggests you could consider to be value drivers to improve ROE.

Page 24 contains a useful graphic for internal consultants, laying out the aspects of a client-centric operating model for investment banking that distinguishes between core (competitive differentiation) and non-core activities.

This is recommended reading for investment banking internal consultants and executives who are concerned about their organization’s performance – would that be all of them?

“Not a Game of Chance: The Case for Stronger Collateral Management” – PwC

[View PDF \(30 Pages\)](#)

This point of view by PwC brings into focus the case for proactive collateral management. As this aspect of trading is on the rise, there exists an opportunity for advantage as firms address the inherent challenges of regulation, liquidity, and risk associated with collateral.

A framework based on the practices of leading firms is articulated and is also used as the structure for a capability maturity model, which will be a useful assessment tool for internal consultant to assess their organization’s preparedness.

“Securities Services: The Good Times are Over, It Is Time to Act” – Oliver Wyman

[View PDF \(26 Pages\)](#)

This is a subtle marketing document by OY, which uses the device of exposing the extent and clarity of their understanding of this space and challenges facing the security services industry (SSI).

In so doing, OY have published a high quality reference guide for internal consultants and others who would like know more about the SSI. Some highlights are: the definition of the SSI ecosystem, including the market participants and a product overview (page 3); key new regulations (page 11); and an industry acronym index (page 25).

“Global Wealth 2015: Winning the Growth Game” – BCG

[View PDF \(38 Pages\)](#)

BCG’s annual look at the global wealth management industry. This year, it adds some interesting views on what distinguishes winning organizations in this sector, alongside the regular data-rich analysis of market sizing and regional breakdowns.

Off the back of around 15 years of industry benchmarking, BCG presents its keys to consistent success with supporting performance data. Key themes covered include rigorous segmentation, price realization, differentiated advisory offerings, and a focus on operational execution.

BCG rounds out the survey with a solid discussion on investment allocation decisions by wealth managers, including the impact of the ever-more-complex regulatory landscape. As testament to this, BCG include some eye-catching charts (pages 24 and 25) on the increase in litigation costs since the GFC and regulatory changes impacting the sector.

There is much here for strategically-oriented wealth managers to reflect on. As always, translating this into tangible actions that pay off in terms of performance improvement remains the challenge.

“World Wealth Report 2015” – Capgemini

[View PDF \(48 Pages\)](#)

The 2015 edition of Cap Gemini’s World Wealth Report (WWR) continues its analysis of trends in the global wealth industry with a focus on HNWIs.

Highlights include:

- Asia-Pacific overtaking the US in terms of the number of HNWIs (a lead likely to increase over time);
- Increasing opportunities for adding value as equities finally overtake cash as the dominant asset allocation in portfolios, reflecting expanding appetite for risk after the financial crisis (something that Investment managers will be pleased to see);
- The authors re-assertion of their WWR2014 finding that firms should be including social impact into investment discussions (if all the disruption from Fintech, legislation, and fee compression wasn’t enough). Yet care should be taken here: while the importance of social impact is a clear need in Asia-Pacific economies, it is certainly not reflected in the west (p27 WWR2014). As is common in wealth, trends are often culturally linked.

Cap Gemini’s WWRs are good at capturing the major themes impacting the wealth industry without going into detail about how to navigate them. The article is therefore a useful go-to source to understand the key trends in the industry and would be most useful for strategy and internal consulting teams.

“Alternative Asset Management 2020: Fast Forward to Centre Stage” – PwC

[View PDF \(36 Pages\)](#)

A timely and informative viewpoint from PwC on the rapid growth and global development of the alternative asset management sector, along with the challenges for asset managers to grapple with as they take advantage of the strong growth outlook.

The report reprises key themes from a PwC report published in early 2014 (which highlighted the growing significance of this sector) as well as global trends within alternative asset management. In particular, the report draws out the impact of sovereign investor and pension fund demands for the type of sustainable long-term investment returns delivered by alternative assets.

In the context of this strong growth, the report then lays out a number of business imperatives for alternative asset managers to address, covering market segmentation, channel selection, operating model design, and data management.

Recommended reading for the management teams of alternative asset managers, and a clear call to get more ‘business savvy’ in addition to delivering the investment performance required by their mandates.

“The New Inconvenient Truth. Social Media: Too Big for Wealth Managers to Ignore?” – KPMG

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

The optimum use of social media in wealth has been an enigma for industry veterans for many years. However, this long article from KPMG Australia makes a compelling case to consider the immediate adoption of social media as a core part of strategy.

Skip the scene-setting discussion around evolving client demographics and read pages 17-20 for the rationale behind the article’s most two powerful messages:

1. “If you haven’t got a big project going which leverages advanced data analytics with a mobile front end, you are likely to become extinct”; and
2. “As the digital revolution continues to transfer more power to the buy side... the sustainability of intermediation (read: the advice industry) must at some point come into question”.

Social media sceptics will find a good summary on page 27, which reminds them that while digital literates drive their current growth, the future is digital natives – and this demographic balance is shifting every day.

An important and timely read for either internal consultants, CMOs, CIOs, or CROs, depending on who is tasked with social media strategy.

INSURANCE

“Demystifying the Public Private Partnership Paradigm: The Nexus Between Insurance, Sustainability & Growth” **– KPMG**

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

In itself, this is an unusual topic and one not well-covered in recent months. The subtitle ‘The nexus between insurance, sustainability and growth’ is more intriguing...drawing on macro reinsurance-led stories through to consideration of microinsurance drawing out opportunities for insurers utilizing collaborative business models, different thinking and diversity. Heady stuff and compelling reading, taking the reader into all facets of leadership and the cultural needs of future-facing insurance business models wanting to leverage PPPs. The cultural considerations are well covered in many previous articles, but the bringing together of the drivers and practical examples to exploit opportunities make this piece worth exploring.

A good length read for executives and internal consultants focused on future strategic direction and cultural change.

“Fixing the Insurance Industry: How Big Data can Transform Customer Satisfaction” **– Capgemini**

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

A short read but well researched, evidenced, and exemplified by Capgemini, making it a very insightful piece for both executives and internal consultants. The article presents a wide-view on the need for constraints of current business models and data use supported by good industry-wide examples. The references list is impressive and makes for a must-read article if only because “globally, less than a third of customers are satisfied with the services of their insurance providers” is explored from all directions.

A real contender for Article of the Month given its different perspective grounding and developing a well-covered theme.

Article of the Month

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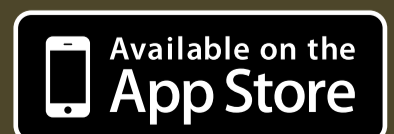
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“Insurers are Applying New Rules of the Road in Attacking Underwriting” – EY

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

An enticing title drawing the reader into some well-covered topics which we have reviewed in other editions over the last 12 months. With a life assurance focus, the article is well written and draws together some key themes based in ‘real time’ data and analytics, digital distribution, rules-based systems and most interestingly ‘getting personal with millennials’. By focusing on the last area, the authors are able to bring together many well-covered ideas into a cohesive and tight read written in 2015 with a real future focus.

Typical promotional themes are clear to see, and whilst not sharply solutions-focused, the article is a good read for internal consultants looking to support a future-facing, distribution-led business model change agenda.

“Gateways to Growth: Insurance Portals that Deliver” – PwC

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

Another PwC US-based article for the P&C insurance sector. This is a well written chronology of the advent of portals as a part of customer facing solutions. It tells of the long journey that has taken place and, in reality, the limited successes really delivered. Lots of good theoretical support for why portals should work, how to develop and deliver, but with scant real-world examples.

Not sure there is much newness in here, but, as with all PwC articles, some well-written and solid information on the what, why, and hows of portals.

Probably of best use for internal consultants.

“Insurance 2020 & Beyond: Necessity is the Mother of Reinvention” – PwC

[View PDF \(28 Pages\)](#)

Another insightful article in the PwC 2020 series of articles, many of which have been covered by ICG in previous editions of *TIR*.

Based in disruption and written by the strong US team, it is a classically well-researched and compelling PwC STEEP analysis of 20 pages, followed by a pretty standard call to action based on the changing environment needing more corporate agility and embracing of technology advances. That said, the three segment scenarios are thought-provoking.

The front-end of the articles is a very good read for executives and internal consultants alike, but the ‘so whats’ feel less compelling and have been covered in previous PwC work.

LIFE INSURANCE

“Distribution Disruption” ***– Oliver Wyman***

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

Short, bullet-point-heavy insight that hypothesizes the business model changes needed in the US retirement sector. For internal consultants, it importantly summarizes the regulation and changes in the UK and Australian market to triangulate the answer.

“The Globalization Capability Gap: Execution, Not Strategy, Separates Leaders from Laggards” – BCG

[View PDF \(18 Pages\)](#)

Very sensible stuff from BCG, partnering with IMD in this survey-based insight. The key messages are that globalization is often seen as a strategy issue, yet much of the capability gap relates to issues like agility to customise to local markets, sharing best practices, managing supply chains, and industrializing the M&A process. BCG offers some sensible levers for closing these gaps, and highlights that big, well-resourced companies and small, agile companies have better capabilities than mid-sided companies. One for internal strategy heads and global executive teams.

“Winning with Analytics” – Accenture

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

Graphical insight that quickly becomes annoying due to its inculcating style.

On the plus side, the research was supported by MIT (Engineering not Sloan) so reads like a *Good to Great* on analytics – i.e. here are the characteristics of those companies that out-perform. If only they had boiled it down a little more...

It will be useful to those internal consultants looking for the very long list of characteristics that were different between poorly performing companies and well performing ones.

“Management Tools & Trends 2015” – Bain

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

One of the most frequent questions asked by senior executives to consulting partners is “What are the types of projects you are doing for my peers?”. This pioneering survey answers the questions irrespective of whether the work is being done by internal or external firms. It may look a little long in the tooth, but many uses jump out. These include: capability prioritization, training of internal consulting, and of course spending less time with external consulting partners. Skip the unnecessary slicing and dicing and focus on Figure 3.

“Tackling Complexity: How to Create Simple & Effective Organizations” – Bain

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

Some good work here from Bain. Those of you who read last month’s article on complexity reduction in compliance will see a major new product thrust from Bain.

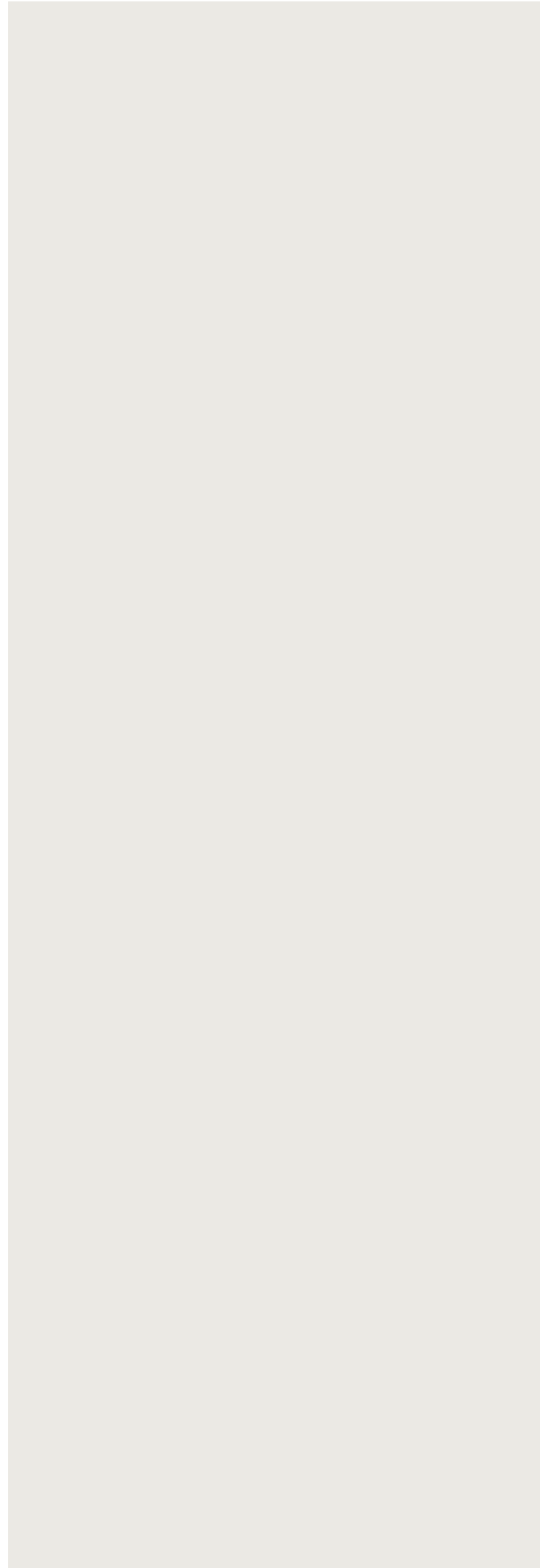
This article is easy to read, and has some very sensible recommendations and a helpful framework for those challenged to deliver cost and complexity reduction.

We especially liked the ideas of focusing on the interfaces to reduce activity and not leaving savings capture to chance.

“Overcoming Obstacles to Effective Scenario Planning” **– McKinsey**

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

McKinsey juniors cutting their teeth with a helpful tips summary for scenario analysis. A helpful one-pager to hand out to internal consultant designers (before participants) that covers the more commonly-cited biases.



“Agitators & Reformers: How to Respond to Activist Investors” **– Bain**

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

A primer for CEOs of listed companies that haven't had the pleasure of taking their first phone call from an activist investor, whether constructive or hostile. If this is you, then this concise, high-level guide is worth reading. The advice is familiar: first know your vulnerabilities (think like an activist) and ideally fix them to remove the temptation, but in any case make contingency plans and practice responding, including building your defences by keeping shareholders informed and loyal. When the activist does come calling, take time to assess their proposal or demands, then respond appropriately (as their proposal could be good!), and don't impulsively react or meekly acquiesce.

REGULATION & COMPLIANCE

“Regulation Now: the New Standard & How Firms are Adapting” – EY

[View PDF \(48 Pages\)](#)

A solid, simple-to-digest and useful overview and benchmarking report of regulatory reporting functions across a selection of US bank holding companies and foreign banking organizations.

The article and the survey covers areas of organizational structure, technology and automation, as well as governance and controls.

This report would be of use to any internal consultant looking to get a sense of how the regulatory functions have evolved over the last 3 years, and what the current top-of-mind issues are today.

“In the Detail of the Fair & Effective Markets Review” – KPMG

[View PDF \(110 Pages\)](#)

An in-depth, long and insightful analysis produced for the Fair & Effective Markets Review for the Chancellor of the Exchequer and the Governor of the Bank of England.

At 110 pages, it is a rather long read – best left to those who want to get insights into the depth of thinking behind the key recommendation of the review.

For those looking for a summary, it's probably best to refer to pages 7 and 8, along with pages 94 and 95 (Table C) for an overview of recommendations, whilst pages 9-17 capture the essence of the remainder of the paper.

Overall, a solid and insightful read for anyone looking to stay across the policy issues relating to regulation of the financial markets landscape.

CORPORATE GOVERNANCE

“Corporate Governance in the Boardroom” – PwC

[View PDF \(36 Pages\)](#)

A corporate governance primer that, at times, reads a little like a sales pitch for business advisory services. The report highlights that the board is responsible for crystallizing a clear corporate purpose, exhibiting the right values, and ensuring these are being acted upon not only when a crisis hits.

Useful background reading for aspiring directors or a high-level refresher on the risks directors should consider in the boardroom for ensuring effective governance. A few very useful diagrams.

HUMAN CAPITAL

“2015 Human Capital Trends Report” – Deloitte

[View PDF \(112 Pages\)](#)

Now in its third year of publication, Deloitte has published this year’s Human Capital Trends Report – a culmination of 3,300 business and HR leaders from around the world.

Perennial topics such as leadership, culture/engagement and HR transformation come up as expected, however, some new entrants this year are worth a closer look. These include how performance management needs to change, leveraging external sources of people data and, near and dear to this reviewer’s heart, readiness for a ‘workforce on demand’.

As usual, a must-skim for the serious Human Capital professional wanting to keep a high-level pulse on key trends in the function globally.

“Evidence-based HR: High Stakes, Moderate Priority” – KPMG

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

Preaching to the converted to some extent, KPMG makes the case this month that evidence-based (i.e. data- and fact-driven) HR is a tool to deliver better business insights and add greater value.

Unfortunately, the short teaser article stops short of giving a tangible example of what this might look like (e.g. which data points, what insights, how to present it) and thus fails to deliver the key insights to really help top notch internal consultants or executives knock it out of the park.

“When to Change How You Lead” – McKinsey

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

This article is essentially a transcript of a roundtable discussion between two former executives, an academic, and three McKinsey partners on the topic of leadership and whether it needs to change as the times evolve.

It takes patience to fully digest given the divergent viewpoints and verbatim capture of not particularly well-structured thinking (surprising for McKinsey!). In this reviewer’s humble opinion, the article fails to deliver real, actionable insight and is more of a quasi-intellectual ‘walk in the park’ than anything else.

DIVERSITY

“Women in the Boardroom: A Global Perspective” – Deloitte

[View PDF \(72 Pages\)](#)

This 72-page global summary prepared by the Deloitte Global Center for Corporate Governance presents statistics compiled from 6,000 companies in 40 different countries. It covers more than 66,000 directorships across six different industries: financial services; consumer business; technology, media and telecommunications; manufacturing; life sciences and health care; and energy and resources.

With minimal commentary, the report provides a summary by country of percentage of board seats held by women, percentage of board chairs that are women, and the top five industries with highest percentage of women.

The report gives a helicopter view. There is a short narrative worth noting for each country on “quotas” and “initiatives.”

Comprehensive and worth at least a skim to identify any particular areas of interest.

“Female Millennials in Financial Services: Strategies for a New Era of Talent” – PwC

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

Millennials in general, and female millennials in particular, must be the focus of human resources and strategic initiatives according to PwC. The study of 8,000 female millennials globally reports on 600 respondents from financial services.

The findings are simple: Millennials are ambitious, powerful, looking for rewards and flexibility. They value diversity, inclusion, and face-to-face feedback. Ideally, they want an international career.

The messages are simple, and consistent with most research related to millennials. The main theme comes back to financial services companies that invest in women working will reap financial and competitive benefits. If companies can address these aspirations, they can recruit and retain female millennials.

“Five Questions to Guide Cybersecurity Risk Management” – Promontory

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

A useful and focused overview on a very timely and pertinent topic of cybersecurity.

The article provides a good overview of the kinds of questions an internal consultant, board member or senior executive should ask to assess maturity and effectiveness of a company’s cybersecurity risk management model.

An excellent short read for any internal consultant, making a basis for a good cybersecurity effectiveness assessment framework.

“Risk Governance 2020: From Satisfactory to Effective & Sustainable” – EY

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

An advertorial for EY’s Risk Governance 2020 offering, surprisingly light on content and high on motherhood statements.

This article is best left to executives looking to engage EY to assist them with transformation of their enterprise risk management framework.

“The Why & How of Simplified Customer Communications” ***– EY***

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

In this unsurprising but solid article, EY highlight the business opportunity of improving customer communications in the insurance industry.

Backed up by their own primary research, they outline how customers are actually looking for more targeted, personalized, relevant, simple, digital, and often more frequent communications. This is clearly not news, but they do provide some statistics to explain the gap and back up this customer preference. They also give a high-level explanation of the efficiency benefits, the alignment with plain language regulation, and suggest some – albeit basic – tools or building blocks required to get there.

TECHNOLOGY

“Rebooting IT: What Separates Digital Leaders from the Rest” **– Bain**

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

Yes, we agree that IT is broken in many organizations. Then the question is “How do we reset and establish a function that can meet the need for speed to market with a scalable architecture that supports Big Data?” The Bain Digital Technology Reference Model is actually worth a read as it is both pragmatic and comprehensive.

“Leadership Beyond Digital” **– AT Kearney**

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

This reads as a collection of notes from a digital event with a series of moderated workshops in Paris. To really read this requires considerable patience and willingness to imagine the discussion.

I’d recommend that unless you have spare time, you give this one a miss.

“How to Avoid the Big Bad Data Trap” – BCG

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

Data Quality 101 is what this is actually about, despite the header that implies Big Data. The content has a good description of why data quality is important and yes, while this does also apply to Big Data, it is essentially the same problem or (trap).

“An Executive’s Guide to Machine Learning” – McKinsey

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

Don’t be afraid, this is a fairly light read with mostly non-technical words. This article, while factually correct, is not going to really provide much in the way of insights into why you would want to care about Machine Learning. As McKinsey note, put strategy first – and that’s really where you as the reader need to start.

“What it takes to Build Your Digital Quotient” – McKinsey

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

A clever teaser to really ask “What is the maturity of your digital operations?”

This reviewer is quite sure McKinsey can help you calculate the ‘Digital Quotient’ if you would like to take up the challenge. More importantly, the real question is “What are you going to actually do about your gap?”

Don’t misunderstand this review – the article is still worth reading, as there are some good examples included and it has the usual McKinsey polish.

“Getting Ahead by Cutting Back: Using Zero-based Budgeting to Fuel Growth” – Accenture

[View PDF & Video](#)

This video deals with what Accenture sees as a growing issue of complexity for MNCs: cutting overheads in developed markets as growth reignites, while developing opportunities in emerging markets. Their answer? Zero-based budgeting. This revival of a trusted technique comes wrapped in an extensive work plan for implementation, including the old chestnut of culture change towards cost control and continuous improvement. While this article and video might be a useful reminder for internal consultants and CFOs, it's difficult to imagine these disciplines are not somewhat familiar to any organization with forward momentum. Likely the ability to balance cost control with an innovation agenda, and requisite investment, would be a more helpful focus at this stage in the business cycle.

“Getting Organizational Redesign Right” – McKinsey

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

McKinsey observe the apparent constant churn in large organization design with seemingly endless restructures. This is in reaction to significant strategic issues and opportunities at every turn, and the desire of companies to align their organizations with shifting priorities. They nominate 9 golden rules based on their experience, then go on to correlate observance of these rules to high success in avoiding the costs of restructuring. The general nature of the rules and uncertainty of success measures make the correlation analysis somewhat suspect.

More importantly, the article misses the point of modern organization functionality that internal consultants and avant-garde providers like ICG (via its industrialized adhocracy model) have come to understand and embrace. We recognise that while some of the organization's focus is on day-to-day delivery and traditional elements of organization design apply, most elements are working on a shifting set of opportunities and threats – and in trying to execute in a nimble way, traditional organization elements often constrain effective teaming.

Organization charts, fixed desks and reporting relationships – even KPIs and performance schemes aligned to BAU measures and telemetry – do little to promote teams forming effectively to understand and tackle key initiatives, or the effective timing and mechanisms of hand-off to BAU organization elements to execute. The modern corporation is much more dependent on effective collaboration amongst its varied internal skill sets, and the identification and collaboration of external providers skilled at moving seamlessly across organization boundaries to focus and deliver key outputs. Capabilities ranging from high EQ to flexible knowledge systems and collaborative platforms are critical for this modern functionality. Companies recognizing constant change is the new norm, and preparing their key talent for this challenge (plus arraying a capable extended enterprise) will avoid the disruption and cost of organization churn. At the same time, they will seize strategic opportunities while others are redrawing organization charts and implementing new performance systems.

“Building a Fast-moving Digital Enterprise” – McKinsey

[View PDF & Video](#)

In this video, McKinsey scratches the surface of digital transformation and implications for organizations. With an appropriate focus on talent and customer understanding as part of driving the digital agenda towards success, there is little to tie these elements together or provide a roadmap allowing internal consultants to be effective in aiding their internal clients in this journey. With companion pieces offered up on the firm’s website, it may be possible to piece together a comfort quilt of insights.

“Raising your Digital Quotient” – McKinsey

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

This article on digital strategy and transformation does a nice job of setting up some of the key challenges facing companies and how to navigate their intended position amongst the range of digital options empirically evidenced on today’s landscape. It also provides some guidance on key elements of a digital capability. However, it provides a false impression that a company can determine its digital play from amongst a range of degrees of intensity ... as if moving into the 21st century is an option. Internal consultants working on the digital strategy and transformation agendas recognise digital provides a range of new and unexpected customer value propositions, and that this is the key concern of determining the firm’s future. As for determining the company’s ultimate digital market position, McKinsey is correct that this is an executive matter but it is less deterministic than described here.

All in all, a good read to stimulate some of the required thinking about digital strategy and transformation.

Reviews of the World's Leading Financial Services Industry Insights

The Insights Review

Financial Services Edition

SPECIAL FEATURE

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ICG



The Best Insights from the Past 12 Months

JUNE 2015

“Borges’ Map: Navigating a World of Digital Disruption”
– BCG

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

Scintillating stuff from two of BCG’s best. Beautifully written, though at times challenging and overly ornamented, the insight takes BCG’s prior 90-degree rotation of the value chain to industry stacks to a new level by proposing four archetypes within the stack. Oligopolies, Communities and Platforms won’t be as new to our readers as the infrastructure layer. What follows is a short description with some up-to-the-minute – if extreme, for effect – case studies and a four-step ‘implications for executives’ that will surely evolve as this new work is further road tested.

More experienced internal consultants and executives should read and enjoy this master-class material.

MAY 2015

“Evidence-based HR: The Bridge Between Your People & Delivering Business Strategy”
– KPMG

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

Compelling insight based on academic input, a large global C-suite survey, and some fascinating work from KPMG’s Global HR Centre for excellence.

Drawing from the slow adoption of evidence in the medical field, KPMG explains some of the factors which may have hindered its evolution (HR data science capabilities low, insufficient resources, or poor expected return), but with some inspiring case studies (see the one from McDonalds on page 21). The result is that the reader is left in no doubt that evidenced-based HR is coming to your organization soon. Highly recommended for all internal consultants and leaders.

APRIL 2015

“Global Corporate Banking 2015. The Look of a Winner” – BCG[View PDF \(26 Pages\)](#)

This is an excellent article by BCG and a must read for corporate and business banking executives and their internal consultants. It sets out five waves of disruptive megatrends that are swamping these profit engines for the banks that own them.

The article goes on to make the case for eight - not new - actions that require urgent attention from those with the courage to chart a path to success. On review of these actions readers are highly likely to acknowledge their veracity, so it is worth reflecting that the Corporate Banking sector has been retarded by its traditional business models, which are no longer as fit for purpose as they once were.

If you found this article of relevance to your challenges and seek more in-depth insight, ICG has published a Knowledge Area Review (KAR) on this topic: Innovation in the Business Banking Value Proposition. The brochure can be found [here](#).

MARCH 2015

“Peer Pressure: How Peer-to-peer Lending Platforms are Transforming the Consumer Lending Industry” – PwC[View PDF \(18 Pages\)](#)

An excellent overview of a rapidly emerging finance category predicts that the P2P lending market could grow from \$5 billion to \$150 billion in the US alone within the next 10 years, as it matures and expands into mortgage, business, and other asset classes. The article includes a useful overview of the P2P lending ecosystem, including the role of the various platform participants, the loan origination process flow, and the customer experience.

PwC offers two alternative paths by which banks may respond to the P2P challenge: either through collaboration (as an investor or white label partner) or through competing directly.

This is an important subject handled with balance and insight, and will be of interest to both banking executives and consultants looking for up-to-date perspectives across what may become a key disruptive force across consumer lending.

FEBRUARY 2015

“A 2015 Regulatory Challenge for Banks” – EY

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

There is a lot to like in this short and pithy article from a global brains trust at EY. It is designed for executives, it gets to the point quickly, it outlines what the key issues are (resolution, capital, and liquidity) and then sets out a CEO- and board-level response agenda with good and well-articulated initiatives. For those looking for a role model insight, this is it.

JANUARY 2015 – DECEMBER 2014

“Are Banks Prepared for a New Turning Point in the Retail Banking Landscape?” – Roland Berger

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

A helpful insight that provides further evidence of Roland Berger’s continued ascendancy in the global consulting industry. This short article really makes two points: firstly, Roland Berger put a stake in the ground that the turning point is now here; and secondly, it introduces a checklist of strategic consideration presented in a very compelling and neat wheel framework (which already needs some refinement). However, for most internal consulting teams and executives in retail banking, this article provides a helpful reminder with more zeal and panache than the traditional PEST and 5 Forces frameworks.

NOVEMBER 2014

***“Consumerized Employee Experiences Can Boost Workforce Productivity”
– Accenture***

[View PDF \(17 Pages\)](#)

A fascinating article that explores the simple idea of treating employees in the same way they are treated as consumers by global best-in-class companies. Put another way, Accenture argues for an ‘employee needs-based’ approach to managing shared services, rather than the typical functional silos that characterise most organizations we are familiar with.

From identifying ‘moments that matter’ and leveraging data and analytics through to providing cross-trained ‘enhanced advisors’ to ‘delight employees’, the authors provide several ideas and examples on how to more efficiently and effectively address common employee needs (such as travelling for business, requiring a new computer, or even taking approved time off) using principles of customer-centricity.

Excellent piece with some real thought-provoking case studies – a must read for any forward-thinking human capital practitioner.

OCTOBER 2014

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

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

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

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

SEPTEMBER 2014

“Kill Your Performance Ratings” – Strategy&

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

A thought-provoking and robust “must-read” for any leader or HR Director wanting to create and sustain a high-performance organization. A thorough examination of the evidence is provided in support of the premise that performance rating systems are misleading, cumbersome, complex, and frequently damage the very performance they are intended to improve.

The rather strong statement “If you want a high-performance organization, you have to reverse the destructive effects of conventional performance management” is likely to be somewhat confronting to those many who have been immersed in overseeing and implementing conventional “rank and yank” performance management processes for so long.

At the very least, this paper deserves a thorough read-through (several times, perhaps) with careful attention paid to the ways in which performance rankings trigger adverse reactions in people in relation to all five of the SCARF factors which are posited to have immense effects on negative human reactions: status, certainty, autonomy, relatedness, and fairness.

It is not proposed that the baby be thrown out with the bath water. In transitioning to a no-rating system, two options are put forward as alternatives; structured conversations or guided conversations, and there is some discussion of these approaches and how the HR Department and company can provide a framework, guidance, and possibly training on how managers need to address the key topics to be covered.

For those who might be inclined to dismiss the perspectives offered in this paper out of hand, the challenging statement that “only one person feels neurologically rewarded by the (rate and rank) performance management exercise: the senior executive who oversees it” certainly warrants some introspection.

AUGUST 2014

“The State of the European Banking Industry” – Roland Berger

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

Wow – this is an exceptional coming of age report for Roland Berger in financial services. Its focus is, of course, Europe, with benchmarking across Europe and occasionally to the US for retail, CIB, and insurance and investments.

Helpfully, the report is in slide format and contains a rich mix of analysis, framing, insight and recommendations. It also tries to coin a new acronym ‘GAFA’ for the combined disruptive power of Google, Amazon, Facebook, and Apple.

Don’t forget the Appendix – we especially liked pages 35 and 36.

Excellent work.

JULY 2014

“Accelerating the Digitization of Business Processes” – McKinsey

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

A great and easy read on the value, role, and approach to digitization of business processes. Applicable to companies of all sizes and capabilities.

The authors Paul Wilmott and Shahar Markovitch lay out the simple and powerful logic for change and also the radical approaches required to break traditional points of resistance within the idea to implementation flow. Digital initiatives must be set up to be the end-state way of doing business. Therefore, legacy business units must be “rolled-in” to this new way of work – which will eventually absorb the legacy business. This truism will feel counter-intuitive and threatening to many leaders.

JUNE 2014

“Creating Value through Enterprise Risk Management” – Milliman

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

A North American survey of 125 risk executives has much utility across geographies. It includes some excellent case studies and elaborated capability trajectories to allow internal consulting teams to benchmark their own organization’s approach and determine next steps on topics like risk appetite and risk tolerances.

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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.

[View ICG Website](#)

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.

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

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