

October - November 2015

# The . Insights Review

## Financial Services Edition

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ICG



Featuring:

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

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

Women at Work  
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

Welcome to one of our twice yearly bumper double issues. This month we aggregate two months of insights so you have some great winter/summer holiday reading. Whether you skim now and pick your favorite articles to read in full, or you wait until the end of your break so you can ease gently back into work mode, we hope you find our global edition of *The Insights Review* as insightful and time-saving as ever.

Our joint articles of the month for this issue are:

- BCG – “*Global Payments 2015: Listening to the Customer’s Voice*”;
- Deloitte – “*European Motor Study: Ready for the Customers’ Switch?*”.

From all of us at *The Insight Review* and ICG – we wish you a happy and safe season break!

**David Moloney**

Global Editor

## GENERAL STRATEGIC INTEREST

### ***“Overcoming Asia’s Obstacles to Growth” – BCG***

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

An insight which highlights three problems you will face trying to capture the Asian century, along with BCG advertorial and case study fodder on how to best address.

From the many potential issues, the three selected (with scant justification) are regulation, talent, and infrastructure. The answers vary but the common themes are move early, be flexible, and invest for the long term. Of the new insights, the Air Asia story of joint venturing with local partners and being the minority partner – so they get access to licences, but with the local partner being a non-airline – is the stand out.

### ***“A Tale of Three Asia’s” – McKinsey***

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

Clever analysis from McKinsey’s Budapest office. This article makes the non-intuitive point that banking growth is not more centralised the more developed the economy is.

The example they use is that growth in emerging Asia is split evenly across the top 10 cities, other cities and rural. In developed Asia, it is the top 10 cities (centralised urbanization) but in China it is the other cities (distributed urbanization).

## ***“Capturing Southeast Asia’s Financial-System Opportunity” – McKinsey***

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

A 4-minute video and 1-page summary discussion of very high-level perspectives on electronification of cash across the growing and enriching consumer populations of ASEAN countries.

It is easy to be sceptical about McKinsey’s motivations for showcasing high trajectory executives in this way.

## ***“Financial Deepening in Indonesia” – Oliver Wyman***

[View PDF \(52 Pages\)](#)

An authoritative diagnosis and comprehensive recommendations for deepening of financial markets in Indonesia. Deepening is defined as when the efficiency, depth, breadth, and reach of financial markets improves.

The insight reveals that the deepest financial markets share four characteristics: funding access, diversified investment options, quality market infrastructure, and risk management solutions.

Lengthy but worth a read.

## ***“Divergence, Disruption, & Innovation Global Trends 2015-2025” – AT Kearney***

[View PDF \(31 Pages\)](#)

Sensible laundry list of mega trends with one-, five-, and 10-year prognostications gilded with the imprimatur of the AT Kearney Global Business Council (somewhat inconsistently, the report also acknowledges just two authors).

What follows is a predictable list of geo-political and technologically disruptive trends that we have seen before – but that will save many an Internal Consulting Unit from compiling from across the consulting industry or this journal.

Internal Consultants wanting to see something fresh should turn to the very last trend – the changing nature of power.

Those looking for even fresher material might consider: hyper scale platform based business models, rise of women, empowerment of the young and other trends that can be rigorously exposed through ICG’s unique Industry Disruption Scan (IDS) methodology.

### ***“A New World of Opportunity: The Insurance Innovation Imperative” – KPMG***

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

This wordy 40-page report about innovation in the life, health, and general/P&C insurance sectors in Europe, North America, and Asia tries to cover too broad a scope and suffers for it. It mixes three things: selected findings from a survey of 280 insurance execs from around the world; short interviews with some of these about innovation in their firms; and lots of editorial and observations and opinions from various KPMG partners about the importance of innovation and how to do it. A theme of the report is there are no silver bullets or off-the-shelf solutions for innovation, so you should try lots of things all the time and adapt ideas from everywhere. The report tries to help. On some pages there are survey findings to compare what others do, and interviews with insurers and examples of their innovations. Best pages are 3, 4, 8, 9, 16, 18, 19 and 25.

### ***“Six Building Blocks for Creating a High-Performing Digital Enterprise” – McKinsey***

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

A high-level framework for categorizing how digital technology is changing all aspects of business models and organizational functions, resulting in lots of integration and transformation challenges. Most readers wouldn't find anything new in this. Your time would be better spent reading some of the more focussed and in-depth sources mentioned in the footnotes or published more recently in other journals. For example, under the “Customer Decision Journey” category, the *“Competing on Customer Journeys”* article in Harvard Business Review (Nov 2015) by one of the co-authors is much more interesting.

## ***“Case Studies in Funding Innovation” – Deloitte***

[View PDF \(76 Pages\)](#)

Five case studies are used to illustrate emerging principles for finding and funding breakthrough early stage ideas. While written for philanthropic foundations and social impact investors, the eight principles described are also relevant to corporate venturing and government innovation support programs. In addition to being interesting and well-written stories, the case studies provide a timely reminder that innovation journeys are neither smooth nor predictable.

## ***“Demystifying the Hackathon” – McKinsey***

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

A short explainer of how a start-up style hackathon can be used in a corporate context to do rapid 1-2 day ideation and prototype development with cross-functional teams. The article says enough for you to be able to compare with the longer lean, agile, and scrum processes you are probably more familiar with. It also touches on the change management benefits and risks, in particular that the staff involved will get highly motivated and expect rapid follow through by the organization.

### ***“The 2015 Global Innovation 1000: Innovation’s New World Order” – PwC***

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

This is the 10th annual survey of R&D expenditure trends among the world’s 1000 largest corporate spenders. It has charts and commentary covering trends across geographic and industry segments. These focus on the changes in and trends regarding where R&D is being done. It is no surprise to see that Asia now hosts the largest share, thanks both to the growth of Asian corporations and to multinationals diversifying their locations for R&D activities. This insight is most relevant to internal consultants in multinationals and policy makers in governments.

### ***“Harnessing the Power of Entrepreneurs to Open Innovation” – Accenture***

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

An insight summarizing a large survey of corporations and entrepreneurs and their experiences of collaborating with each other in the digital space. It also ventures a hypothesis that collaboration needs to evolve from the current phase of incubators, accelerators, and corporate venturing to an “open innovation model”... without really explaining what that is. However, some of the survey findings ring true, particularly the one about entrepreneurs having higher expectations of collaboration than their corporate collaborators, and often feeling let down by a perceived lack of reciprocal commitment. Of course a corporation will probably want to collaborate with many entrepreneurs, so commitment to any one of them is likely to be rationed and potentially fleeting – hence why it’s hard to make collaboration work for both sides.

## RETAIL & BUSINESS BANKING

### ***“Retail banking in Asia Actionable Insights for New Opportunities” – Bain***

[View PDF \(106 Pages\)](#)

At almost 100 pages across 8 chapters, this is a lengthy read, comprehensively covering the rapid and disruptive change taking place across the Asian banking market and impacting on traditional banking models. The Asian region includes a blend of developed and emerging economies, serviced by a mix of national and intra-regional banks. McKinsey explores the impact of changing banking paradigms within this context.

A number of themes are separately explored, including margin pressure, digital banking, the changing role of branches, sales transformation, and private banking. Each theme is provided lengthy coverage supported by insightful charts and case studies, and with a focus on capability-building.

This will reward a patient read, however a time-poor executive will also find useful nuggets through a quick scan. Highlights for us included “next-generation risk skills” (p.5), “getting the branch ready for multichannel” (p.28), and “practical insights from customer data” (p.60).

A key overall insight is that even in less evolved economies, consumer expectations across digital channels are becoming increasingly sophisticated, and that from Hong Kong to Delhi, customers are looking for speed, convenience, flexibility, and customization.

### ***“Escaping the Doom Loop in Contact Center Operations” – Bain***

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

This is a good quick refresh for those working on service centre productivity. Short and sharp, this article suggests key levers for retail banks to manage and reduce call centre volumes, based on examples where reductions of 20-40% have been achieved. These range from classic productivity actions (measure and monitor) to using newer digital approaches (develop a demand intelligence hub). Naturally, Bain doesn't miss the chance to plug Net Promoter Score (NPS) metrics.

## ***“Consumer Lending: Understanding Today’s Empowered Borrower” – PwC***

[View PDF \(34 Pages\)](#)

PwC’s study demonstrates the accelerating march of consumer expectations across digital channels, especially among younger client segments. The study finds that borrowers are increasingly looking for a predominantly digital transaction experience – significantly more so than even 2 years ago – and would like their digital banking transactions to resemble the fast, seamless, and intuitive digital experiences offered across other industries.

A key finding is that the current slate of mobile apps available on the market do not provide the range of features that banking customers expect based on their broader digital interactions, as revealed by the table of digital features helpfully included.

While the article starts briskly and brightly with an initial nine pages of fast-paced and well-packaged digital insights, it then shifts to a clunky gear and labours to the finish line over another 20 pages of segment analysis that can be skipped by Internal Consultants.

## ***“Low Interest Rates Six Actions for Retail Banks to Overcome the Impasse” – Oliver Wyman***

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

This article tracks the impact of prolonged low interest rates on European retail banks, as a number of drivers are combining to place pressure on retail banking profitability. These include record low deposit rates – making it difficult for banks to widen spreads – and a trend towards fixed-rate lending in place of variable.

Retail banking consultants working on performance improvement initiatives may benefit from Oliver Wyman’s well-researched summary of the multifaceted relationship between monetary policy and banking profits. However, the resolution disappoints as their solution package amounts to a somewhat shallow and uncontextualized walkthrough of the retail banking value driver tree.

## PAYMENTS

### ***“Serving Connected Customers: How Merchants & Payment Providers Can Win in a Digital World” – Strategy&***

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

A U.S.-centric article referencing a Strategy & Electronic Transactions Association consumer (1000+), merchant (25+) and payments industry executive (50+) survey.

It contains a few interesting statistics, mainly highlighting the disparity in priorities between the three different groups surveyed. The report concludes that as digital commerce has seen dramatic growth, payments must become an integral part of the digital consumer interaction. It also argues that payment providers must do a better job of leveraging data to provide merchants richer customer information and insights.

One particularly interesting observation, albeit from a small sample, is that 25% of U.S. merchants surveyed don't yet have a mobile wallet strategy.

### ***“How Addressing Consumers’ Concerns About Data Security Opens the Doors to Growth” – AT Kearney***

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

Another U.S. article drawing on external research, this time the 2015 Visa Digital Consumer Study which surveyed over 10,000 consumers online at the end of 2014.

The angle on this occasion is that consumer security concerns are holding back growth in online commerce. The survey reports that 24% of consumers cite security concerns as the reason for not making an online purchase, yet the report glosses over the fact that 51% of respondents don't buy online because they prefer to see or feel the product first!

The report concludes that banks are in a unique position to pursue and promote security solutions that improve consumers' comfort and confidence in digital payments... a segue to tokenization solutions, such as Visa's Token Service perhaps!

## ***“Five Imperatives for Navigating Turbulence in the Payments Ecosystem” – Bain***

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

With themes common to both the previous articles, this is by far the best and makes for an interesting and enjoyable read.

The international flavour of the report also provides much broader appeal and some genuine insights.

The premise is that merchant acquirers (banks or specialist payments companies) must evolve from being utility providers to technology-focused partners.

The article sets out five imperatives: avoiding disintermediation; segmenting the customer base (here, the profitability and hence attractiveness of the SME segment is exposed); protecting one's distribution channel; embracing new payment types; and defending data.

Interestingly, the report highlights the move towards tokenization, which while promoted enthusiastically elsewhere, actually has the potential to limit much of the desired consumer data.

## ***“2015 North America Consumer Digital Payments Survey” – Accenture***

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

Accenture's annual survey of Canadian and U.S. consumer payment preferences was completed in June/July 2015 and sampled around 4,000 consumers.

Key conclusions, as digital payment adoption grows, is to keep payment solutions Simple, Personal and Everyday. No huge changes on last year's survey, with traditional payments such as cash remaining robust and digital gaining ground, especially mobile, with Apple Pay now commanding an estimated 2 in 3 dollars of all U.S. mobile contactless spend.

The survey also reports for the first time peer-to-peer (P2P) payments use with 15% of survey respondents claiming at least weekly use. The report also touches on the development of payments functionality for connected devices (the Internet of Things), two areas to watch in the coming year.

## ***“Global Payments 2015: Listening to the Customer’s Voice” – BCG***

[View PDF \(31 Pages\)](#)

The best payments article we have reviewed in 2015, an excellent and insightful report produced by BCG with support from SWIFT.

The multi-faceted report starts by focusing on global transactional banking revenues predicting that they will grow from USD1.1 trillion in 2014 to nearly USD2 trillion by 2024, with growth driven by a combination of account, transaction, and non-transaction card revenues.

Once past the revenue analysis, there is a comprehensive regional review of market dynamics (pages 7 to 10) that provides a thoughtful digest of developments across the globe – including some great insights into what is happening in China and India.

The report also references a 5,500 consumer survey conducted in France, Germany, the United Kingdom, and U.S. that seeks to identify barriers to digital adoption.

Finally, pages 19-25 focus on Wholesale Transaction Banking developments, rarely reported with this level of insight and advice.

## ***“World Payments Report 2015” – Capgemini***

[View PDF \(60 Pages\)](#)

A weighty report based on publicly available data sources, the firm’s own analysis/ forecasts, and a May 2015 global survey of 411 banks, other financial sector institutions, IT and advisory firms. Given the time lag in reporting and aggregating information, most data relates to 2013 and 2014.

This report is worth dipping into, but is not an easy cover-to-cover read. The section on key regulatory and industry initiatives highlights a range of global and more localized hot topics, and there is also a strong section on the continued development of real-time/ faster payments.

*Article of the Month*

## ***“Global Payments 2015: A Healthy Industry Confronts Disruption” – McKinsey***

[View PDF \(34 Pages\)](#)

Another global summary of payments data and key industry trends, this time drawn from the firm’s own analysis across more than 40 countries. McKinsey’s estimates 2014 Global Payments Revenue at USD 1.7 trillion – this being substantially higher than BCG’s numbers and emphasizing differences in measurement, and more fundamentally the challenge of accurately capturing data on a global basis.

Digital disruption and the threats to banks, both from the large technology players but also a plethora of start-ups and disrupters, are covered, as is some interesting analysis on the market threats in foreign exchange/international remittances which are likely to present growing challenges to cross-border payments revenues.

## ***“Bitcoin at the Crossroads: There is a Race to Regulate Bitcoin. Is it too Soon?” – Deloitte***

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

A very short piece questioning whether the regulatory attention being directed to Bitcoin is appropriate given transaction volumes are ‘just a drop in the ocean’, and that over-regulation may well stifle the development of the underlying blockchain technology – not just for payments, but a myriad of other uses that require establishing trust between unknown parties.

Worth a very quick skim by Internal Consultants with an interest in the payments sector.

### ***“Corporate & Investment Banking Outlook 2015” – Roland Burger***

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

This report from Roland Berger contains much more insight than a reader would expect from the bland title or Executive Summary which lists the well-known (if not well-actioned) issues for this sector, viz.; cost and capital deployment, client centricity, digital transition, and cultural empowerment.

For all with an interest in CIB, your reviewer thinks it is worth getting into the content; less said here, will give you more time to act there.

### ***“A Mile Wide or a Mile Deep? The Diversification Opportunity Facing Private Equity” – BCG***

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

This concise ‘advertorial’ by BCG is likely to be merely of interest to executives and internal consultants not directly involved in PE, but it is worth a quick read in the holidays.

It sets out the PE landscape, which over the past decade has seen the topography of mainly mountain peaks – leveraged buyout (LBO) funds – flatten out to a plateau, with diversified PE firms that are more akin to Asset Managers, and with an escarpment between the two – of those firms that are selectively diversified. As PE firms increase in size, there may not be enough sizeable opportunity to sustain them in the mountain peaks hence the move to the plateau for the largest (see page 10 for an exhibit of who is where). Your reviewer ponders: “Are diversified funds the return of conglomerates of the mid-20th century?”

### ***“Investors: A Critical & Growing Factor for Success in the Wealth” – Deloitte***

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

There are few top-tier firms authoring articles on the appeal of a dedicated value proposition to women clients in the wealth industry. This short article from Deloitte claims there is \$5T of funds controlled by women in the US that is not managed by a financial adviser. It bases the need for a dedicated value proposition on the fact that women rate advisors lower on every aspect of satisfaction compared to how men rate advisors. A second data point – not cited in this article – is that women are far more likely than men to feel they need financial advice. The business case therefore is compelling, however the recommended approach to capture the market is rather high-level and rapidly becomes a Product Design and Marketing Strategy 101 checklist. The most valuable takeaway ends up being a reminder of the growing importance of the segment.

### ***“Freeing the Future? Market Impacts of the Pension Freedom Reforms” – KPMG***

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

For anyone not close to the momentous “Pension Freedoms” changes to the UK pension system, this report is an excellent starting point. One of two reports from KPMG into the industry, this first article describes the background to the reforms and outlines the subsequent challenges facing consumers, industry, and government. It is an insightful and thought-provoking read for policy-makers and advisers in any jurisdiction wrestling with the challenges of optimizing their pension settings. Those already well-versed in the challenges in the UK may want to wait for the second report, which will examine the longer-term outlook for the changing pension landscape.

### ***“The Evolution of China’s Private Wealth Market” – Bain***

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

There are over one million HNWI in China – double the number in 2010. Only 25% of HNWI used advisers in 2010, but that percentage has now risen to 65%. These are some of many statistics cited in this 20-page summary from Bain’s latest survey of China’s wealth industry. It is a data- and chart-packed page-turner full of insight about industry structure, market size, HNWI needs, and their investment preferences. Light on interpretation and implications, the article is for internal consultants and industry strategists seeking robust data to support analysis and inform strategy.

### ***“It Got so Late so Soon: Wealth & Asset Managers Awake to the New Digital Age” – EY***

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

Another article about the impact of digital technologies on the wealth industry. At six pages, this one is short, useful really only for industry outsiders without any background in fintech-for-wealth and who may therefore appreciate a very high-level summary. However, it does not bring new thinking to the topic so is a pass for our regular readers.

## ***“Asset Management 2020 & Beyond: Transforming Your Business for a New Global” – PwC***

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

An excellent article from PwC describing how global tax transparency is forcing the asset management (AM) industry to evolve from performance alpha towards “service alpha”, where the primary competitive differentiator will be investment performance after tax. Welcome to the new world of cross-jurisdictional tax reporting and perpetual audits as global mega-managers attract huge interest from tax authorities. The article is a great read – written in diary format from the perspective of the executive team of a major asset manager describing the day-to-day challenges during a busy week through a reporting cycle. Of general interest to all asset managers, but particularly to internal consultants and tax strategists.

## GENERAL INSURANCE

### ***“Can Cyber-insurance Coverage Keep Apace with Cyber-Exposure?” – Towers Watson***

[View PDF \(27 Pages\)](#)

A timely reminder article on one of the post market-challenging emerging risks for insurers. Written with a US market backdrop but with clear global overtures, the key messaging surrounds the assessed inability of insurers to fully understand this emerging risk to allow classic capital allocation and pricing to the risk. The article explores the needs for (and sees as huge) the uncertainties of respondents – governments and insurers – especially in the area of cyber-terrorism, and concludes more innovative approaches are still needed.

The recognition that this is complex and the good work being done, whilst helpful, may leave Internal Consultants wondering...

### ***“European Motor Study: Ready for the Customers’ Switch?” – Deloitte***

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

Whilst European focussed – which is a massive combined market for motor insurance – this is one of the best pieces around customer behaviors, with rich case studies, seen for some time. Whilst the perennial digitalization messages and the need for focus and execution are also referenced, the power of this article is the richness of demographic and behavioral study. Telematics and other well-covered motor topics are not a focus here.

The context of market sizes for countries, the marginal profitability, and the low growth rates set the scene and highlight the need for differentiation of offerings (particularly given the greater propensity of customers to shift) alongside a need for sharper delivery focus.

A great read for Internal consultants and C-suite alike, given the status of motor business in most (European) countries.

*Article of the Month*

## ***“From Solos to Symphony: How Insurers can Harmonize Customer Communications” – PwC***

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

Multi-media, multi-touch, multi-messaging is the area under review here, with the customer as the target being portrayed as sometimes bombarded, sometimes neglected in times of need, and probably at best a combination of the worst of both. So what is to be done?

The crux of this article is the promotion of coordinated communication content creation, tied to considered delivery media and careful timing of output with a centralised governance approach. This is compared to a traditional silo led approach which has been seen as ‘closer’ to the customer. With the multi-channel and almost instantaneous availability of messaging to carriers and customers alike, this traditional flexibility is seen as more of a hindrance compared with a fully integrated and centrally governed ‘portfolio driving individual’ customer strategy.

PwC lay out a discussion to provoke change in governance models relying on smarter technology, better insights, and more considered measurement metrics to deliver greater relevance to customers.

A relatively high-level read of use to internal consultants in the main.

## LIFE INSURANCE

### ***“Life Insurance Distribution at a Crossroads: Introducing the Agent of the Future” – EY***

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

With the article predicting half the life agents in the US will retire within the next few years and that customer behavior is also changing, the report opens an interesting subject and highlights some interesting questions. After the first few pages, the educated reader could be forgiven for thinking it is developing into an insightful read... but they will then be left sadly wanting when both the question and the report finish.

Without potential answers and the context of the local regulatory framework overlay, this is I suspect most useful for those looking to frame some trends and the kinds of areas a forward-looking distribution strategy may wish to consider.

### ***“The Return of Corporate Strategy in Banking” – Bain***

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

A timely call to arms for the application of bigger guns to the question of strategy.

The core of the article is that oldie-but-a-goodie chart displaying a wide distribution of performance by players in the same industry. It is used to support the argument that differentiation and sustained results are not emergent, but rather due to clear choices which necessarily compromise short-term performance.

The sceptics will revert to form; some CEOs will agree to meet with Bain to hear their latest pitch; and internal consultants will marvel at the new iconized depiction of a business model in 5 and 6. We also liked 3 because ambition is often not stated (as Rumelt’s classic *Good Strategy, Bad Strategy* told us).

### ***“The Science of Organizational Transformations” – McKinsey***

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

A useful addition to the applied science of transformation. McKinsey makes a compelling case for starting a transformation with a more explicit design phase that bakes in four best practices which contribute to higher and higher transformation success. The familiarity of the factors might however lessen the impact of the insight. They are: leader role modelling; fostering understanding and conviction; hard wiring change; and equipping staff with the required skills which most internal consultants would consider business as usual.

## ***“Collaborative Optimization: When Doing Another RFP is not Enough” – AT Kearney***

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

Neatly packaged refinement to ATK’s renowned approach to procurement. Uses a more iterative, open, and collaborative process which actively searches for sweet spots beyond price – not unlike the way ICG says don’t hire a consulting pyramid from ATK when you can compose a unique permutation of labour, IP, and method from ICG to perfectly complement your existing resources.

A minor concern is the existence of just a single author – major successful steps forward generally have many “inventors” or have become co-owned by others, so this one might benefit from more polishing.

## ***“The Double Game of Digital Strategy” – BCG***

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

A very helpful “how-to” on digital strategy that nicely articulates a more pragmatic approach to digital than a previously awarded article [Borges Map](#).

Recommended for all consultants looking for short, sharp problem framing with some fresh examples that can feed into your next internal consulting workshop.

## ***“Nine Questions to Help You Get Your Digital Transformation Right” – McKinsey***

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

A grappling hook of ideas being thrown over a wall to catch a client’s interest with one of its flukes.

It contains lots of old friends like cross-functional teams and customer journey mapping, together with an Exhibit so full of the latest jargon terms it would make for an annual buzzword glossary for 2015.

There is little to recommend here. Feels like the federated McKinsey model is pouring out IP faster than the Global curation machine can manage.

### ***“Mega-Mergers in Health Insurance: 10 Steps to Successful Integration” – Bain***

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

A one page analysis of the consolidation taking place in the US health insurance industry, as large insurers respond to the forces unleashed by Obamacare. The other three pages provide Bain’s take on the steps to successful M&A and post-merger integration. These recap familiar advice, like having a detailed integration plan ready, and moving quickly to secure talent and sort out the power structure. The unfortunate reality is that many M&A deals still fail to realize the benefits Boards were sold on. Clearly success requires more than a 10-step guide.

### ***“Rethinking M&A Valuation Assumptions” – Bain***

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

An opinion piece aimed at CFOs that asserts – without presenting evidence – that many of them are walking away from good acquisitions because they’re using old (and too high) hurdle rates that are making deals look expensive. You should read this only if you’re in the mood for a lecture on how to update your hurdle rate for a world Bain predicts will continue to have low interest rates and abundant capital for some time to come.

### ***“Building a Better Partnership Between Finance & Strategy” – McKinsey***

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

An exhortation to “strategic” CFOs on the one hand, and on the other executives and business unit managers who traditionally own strategy to work together and combine their complementary skills and power to make better decisions and get things done. The article goes on to discuss hypothetical ways they could team up to improve the process for strategy issues like investments for growth and M&A. All common sense stuff, but a CEO should be concerned if his or her senior management team actually needs this advice on how to work together on strategy.

### ***“Grow Fast or Die Slow: The Double-Edged Sword of M&A” – McKinsey***

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

This article discusses the importance of good M&A capabilities for high growth software/SaaS firms. It presents data showing a strongly positive correlation between their organic growth rates and the numbers of acquisitions they make. This is an interesting observation, but the authors stretch the data too far and present correlation as causality, asserting that organic growth rate can be increased by making frequent acquisitions (2-3 p.a.), and the corollary that infrequent acquirers damage their organic growth rate. These would be powerful conclusions but for the possibility that the reverse causation could also be true, that firms with high organic growth rates are able to do more acquisitions. Read this article if you are interested in the data, but not for the conclusions.

## ***“How M&A Practitioners Enable Their Success” – McKinsey***

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

An update to McKinsey’s global survey of M&A practices and capabilities in a sample of 766 firms. It describes the currently high level of M&A activity and the strategic risks it poses for companies that are used to a slower tempo and annual portfolio reviews. The article compares the approaches of firms reporting high satisfaction with outcomes of those reporting low satisfaction. It is worth reading this short, well-written article to see the factors correlated with high and low performance respectively. In short, those who do it more often do it faster and better.

## ***“Financial Restructuring Study 2015: Instruments & Success Factors in Practice” – Roland Berger***

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

A good primer on the different ways for doing financial restructures of distressed firms. What is unusual and worthy of merit is its attempt to statistically test which approaches work best, by analyzing a sample of 9000 mid-to large-size German companies over nine years. The motivation is the changing financing environment in Germany and the greater role being played by capital markets and PE firms, creating more options for financial restructuring than were traditionally available in this bank-dominated market.

While written to explain the new game to German companies and their shareholders and financiers, the frameworks used are universally applicable and provide a useful recap for managers and advisers everywhere.

## REGULATION & COMPLIANCE

### ***“Enabling Sustainable Compliance at Banks” – BCG***

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

A rather generic overview of drivers of sustainable compliance in a bank, meshing together business-facing pillars of compliance with the right foundations in the Compliance Department.

May be a good refresher for a generalist consultant, but does not bring any fundamentally new thinking to the table.

### ***“Winning in the Era of Liquidity” – Oliver Wyman***

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

A good article from subject matter experts at Oliver Wyman, providing a good grounding in the science of deposits and management of regulatory liquidity requirements.

Not a simple topic at the best of times, but the authors provide a good end-to-end framework for working through the issues across the various parts of the bank, illustrating how these come together to deliver immediate financial impacts.

### ***“Communications Surveillance: Identifying & Preventing Misconduct in Digital Communications” – Accenture***

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

A high-level primer on ways to think about detecting possible bad behavior among rogue employees in financial services. It argues for a “holistic approach” to surveillance and compliance to mitigate these risks.

At times, it reads like a sales document for Accenture. However, it also contains an outline on the key issues and risks facing organizations today, so makes useful background reading to gain a high-level perspective.

### ***“Raising Corporate Governance Standards in Indonesia” – KPMG***

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

A brief summary of a Governance Forum that took place in Indonesia. A quick read for anyone doing business in the region and interested in a high-level update on the key issues facing the boardrooms in the country. Personally, to this reviewer it read like notes from the conference and could be skimmed for a few points only. In fact, it reads like a poorly written newsletter.

## HUMAN CAPITAL

### ***“Building a Design-Driven Culture” – McKinsey***

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

“User Experience”, “Customer Journeys”, “Design Thinking”, “Permanent Beta” – you’ve all heard the ever-growing list of popular, similar sounding and somewhat ambiguous buzzwords used to describe the holy grail of meeting customer needs through brilliant product and experience design.

In this article, McKinsey attempts to cut through the noise and isolate the four critical elements to create a truly design-driven organizational culture, with a single goal of using empathy to put customers and/or end-users at the center of the problem solving equation.

Overall, the authors do a nice job of distilling some of the key elements, albeit at a high level – still a useful read for any serious digital, marketing, or human capital leader attempting to inculcate more user-centric, design-driven thinking into their organization.

### ***“The Talent Revolution in Digital Marketing” – BCG***

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

Many of us may believe (hope?) that our marketing organizations have kept pace with the digital revolution underway in our respective industries. However, in this article BCG would argue this not to be the case, citing their survey of >1,000 marketers at nearly 60 companies in the UK and Germany who gave themselves a less-than-impressive average score ranking in regards to their own digital capabilities.

The authors parse the driving factors in considerable detail, including, for example: identifying some of the key talent and performance gaps, looking closely at how training must keep pace, and lamenting the lack of sufficient focus on strategy execution.

One point to note, however: key issues such as closing the talent gap and exploring the build vs. buy decision receive only a superficial treatment and could benefit from more detailed analysis and examples.

## DIVERSITY

***“How Advancing Women’s Equality Can Add \$12 Trillion to Global Growth” – McKinsey***[View PDF \(156 Pages\)](#)

This 155-page McKinsey Global Institute “Power of Parity” report represents a truly global approach to looking at gender parity. The authors have cleverly constructed a compelling and innovative narrative from their research. Fifteen gender equality indicators (falling into four categories) have been mapped for 95 countries. 10 impact zones have been identified and 75 interventions are presented. A new MGI Gender Parity Score (GPS) has been developed to measure the distance each country has travelled toward gender parity.

The Report adopts an assumption common to many reports related to diversity – namely that women’s inequality costs companies, countries, and individuals. McKinsey claims that cost is \$12 trillion over the next ten years. The report supports the business case.

Where the “Power of Parity” report differs and extends so much of the research is in the identification of actions or “targeted interventions to drive impact.”

The most powerful section in this dense report lies in Exhibits 24-26. These exhibits map each targeted intervention against the impact zones and identifies whether it is enabled by (a) Public sector and NGOs or (b) Private sector alone or with public sector/NGOs. The simple tables provide valuable, research-based actions. Well worth the read to better understand the pragmatic steps needed to realize the potential of gender equality.

***“Integrating Work & Life” – Bain***[View PDF \(8 Pages\)](#)

Bain & Company provides a refreshing perspective into the work/life balance conversation. Their recent research of 1500 millennials (MBA and business school grads) shows that men and women want many of the same things.

The research challenges conventional wisdom about gender differences. Gender gaps are starting to close on the life balance scorecard.

Bain & Company’s research shows that traditional desires and aspirations are no longer women-specific. Companies must consequently adapt and develop flexible work models that truly embrace gender-neutral aspirations.

Career, policies, values, and behaviors must all be synchronised to appeal to people who are looking for the same things: multiple pathways to leadership roles, part-time employment, career breaks, sabbaticals, working from home, and job sharing.

This research shifts the conversation away from traditional gender diversity issues into more future flexible inclusion issues.

## ***“Wanted: More Women in Technology” – McKinsey***

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

The short interview with Girls Who Code (GWC) founder and CEO Reshma Saujani highlights the two major activities the NFP undertakes: (1) a seven-week immersive summer program where female students are embedded in classrooms inside tech companies and (2) after-school clubs that GWC sponsor (500 clubs in 34 states).

Still, the results are the same. Levels of female participation in technology remain flat. There has been no increase and most programs have not been successful. There exist very few solutions to this growing problem.

One world expert on this topic is Australian Sonja Bernhardt, author of *Women in IT in the New Social Era: A Critical Evidence-Based Review of Gender Inequality and the Potential for Change*.

Sonja reviews the research and statistics that support the view that current programs are failing to keep women in the ICT field.

Sonja aims to correct this lopsided gender distribution by presenting the “STEMcell” Model, a unique 3D Earth-style visualization that incorporates the influence of social media in its #SocialIT layer and brings new recognition to the central role of the individual at its core.

As Sonja writes: “The rules have changed, so when viewing women in technology, it is time to adapt and adopt the new model. It is time to consider the core significance of the individual and the seismic digital disruptions and tectonic technological changes we are experiencing and move towards a new approach.”

### ***“The CEO Interview: Willis Group on the Changing Risk Landscape” – McKinsey***

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

This article provides a practical lens on importance of managing risk in a global risk advisory brokerage company, with examples of the impact of climate change on new product development, and of managing risk emerging from new technologies and innovation.

Unlike a number of other articles on this topic written by consultants, this interview provides a much more pragmatic perspective on the need to remain agile in making long-term and short-term resource allocation shifts to respond to the changing global risks and priorities.

### ***“Stress Testing 102” – Oliver Wyman***

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

Another good paper from the risk specialist house, Oliver Wyman.

The paper looks beyond the usual CCAR and Dodd-Frank Act stress testing regimes, and outlines the virtues of forecasting capabilities of the pre-provision net revenue (PPNR) as a key component of the banks' planning and stress-testing toolkits.

PPNR employs statistical models that borrow from the techniques used for risk stress testing, and may provide wide-ranging benefits for the banks' stress testing, strategy development, planning, and budgeting.

A definite read for anyone looking at an alternative capability to complement their existing stress testing toolkit, which Oliver Wyman sees as a matter of 'when' rather than an 'if' issue.

## ***“Cybersecurity – Addressing Rising Expectations: Five Critical Areas Asset Manager” – EY***

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

Another rather generic article outlining priorities for responding to cyber security threats, including the usual mix of C-level sponsorship, employee involvement and ownership, periodic risk assessment, oversight of suppliers, and having a cyber attack response strategy.

Not much more than a basic primer, with no new thinking brought to the table.

## ***“Developing a Sound Risk & Compliance Culture” – Promontory***

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

A good primer on building blocks for sound risk and compliance culture, in what is a very crowded space of articles dealing with this subject matter.

This article has a fairly good checklist of components that any risk and compliance practitioner can quickly refer to in order to double check whether all bases have been sufficiently covered.

### ***“Making Omnichannel Work: The “To Do” List for Banks” – PwC***

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

PwC provides a stern reminder that omnichannel delivery is not a technological issue, as well as a re-examining of the service delivery process. Readers are reminded that successful omnichannel banking depends on the successful integration of the end-to-end customer experience.

PwC documents five major obstacles that affect offerings and service delivery across the operating model, ranging from cumbersome product development processes to organizational and operational silos. While specifically tailored to banking, these obstacles can appear in any industry, making this article valuable to any business that is considering or already has omnichannel delivery.

This article offers a detailed and extensive to-do list to work through these obstacles and strengthen your omnichannel delivery experiences. The list is divided into categories and includes customer experience, product, marketing, and technologies, with the top four actions you should take in order to improve your omnichannel service. The article finishes with a list of benefits for your business once improvements to your omnichannel experience have been activated, such as risk reduction and happier employees. This article will benefit service delivery managers who wish to improve their omnichannel experience.

### ***“Making Design a Business Priority” – McKinsey***

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

What is the key to understanding customer wants and needs? This McKinsey article explores how businesses can start their transition to design thinking in order to truly understand their customers.

The article succinctly introduces design thinking theories and stresses the importance of why CEOs must drive and champion design thinking. The article also explores reasons why businesses might struggle to implement design thinking into their day-to-day operations, explaining that simply hiring designers isn't enough to create a strong design team.

This article is short but provides the framework and questions that business leaders need to ask themselves to ensure they successfully implement design thinking into their business practices. It is a worthwhile read for any business leader who wants to better understand the role their business can play in enhancing the lives of current and potential customers.

### ***“Bought Not Sold: Marketing & Selling to Digitally Empowered Business Customers” – Bain***

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

Have traditional B2B marketing and sales models reached the end of their life? This is the question posted by Bain & Company in as they look at digitally-empowered business customers.

The article covers a range of topics about brand presence, the potential of customer data, and rewiring shopping experiences for a digital medium. By highlighting relevant industry experiences, readers are provided with a great framework to understand what is happening within the industry.

It is both well written and well researched, providing a groundwork for B2B companies to adapt to digital technologies. With a strong finish, Bain & Company provide executives with a set of high-gain questions, allowing them to start preparing their organizations for digital disruption.

### ***“Take Giant Leaps (Because You’re Not Going to Win with Timid Steps)” – BCG***

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

This article follows the story of two young entrepreneurs who have redefined their markets by deeply understanding what their consumers need and providing highly differentiated products.

The article clearly expresses the need for businesses to keep up to date in an ever-changing marketplace. It explains how adopting a human-centred approach within an organization can dramatically improve how customers perceive their business, while subsequently improving sales. Natura’s conviction that, “A company does not need to make trade-offs between doing good and doing well” reflects their increased sales through their empowerment of local communities, customer-centric focus, and sustainable development with investors and customers.

## ***“The Agile Marketing Organization” – BCG***

[View PDF \(25 Pages\)](#)

The emergence of digital tools and channels has led to rapidly-changing conditions in the marketplace. BCG argue that in order to adapt, marketing organizations need to increase their agility.

Having interviewed CMOs and senior marketing executives from approximately 30 major corporations, BCG’s article is thoroughly researched and addresses the importance of keeping up with technological growth in the industry. The article is well written and provides diagrams to visualize how agile concepts operate within the industry.

The article further outlines key areas, stages, and concepts about a range of topics from big data to branded content, leading its readers through the processes behind creating an agile marketing organization, making it an invaluable resource for transforming your company.

## TECHNOLOGY

### ***“Beyond Agile: Reorganizing IT for Faster Software Delivery”*** **– McKinsey**

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

Agile is in fashion, and this is a factor of the digital era and subsequent pressures for businesses to always be in a state of Beta.

Fundamental to this has been the adoption of DevOps, which has been the enabler of moving towards hourly deployments.

There is, however, an expectation that with those roles, the culture and governance will need to be adjusted to make this a reality.

### ***“Cracking the Digital Source”*** **– McKinsey**

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

“I’m going Digital” is the common catch-cry that you hear in the industry. McKinsey have a few clues from their research, which may be useful but I fear they are all merely ingredients.

Sponsorship, Culture, Talent, and Portfolio management are all important, but this reviewer is not convinced that addressing these alone will help you crack the code.

There is an element to which one might understand that the best chefs with the best ingredients can create great food. But it is no guarantee, and the intangible factor is how this all works together to create a masterpiece.

Sorry, but if it was as easy as this ingredient list implies, we all would have cracked the code by now.

## ***“Neglected, Indebted or Gold-plated: Which Type of IT Do You Have?” – Bain***

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

Bain has advice for how you are managing the kids (IT). Have you neglected them and treated them as a pure cost centre?

Have they been spoilt and given gold plated treatment? Their sage advice is that the kids are a disappointment and budget cuts are to be expected.

Moreover, IT needs to be better at Strategy Execution.

## ***“TeBIT 2015 Executive Report: Digital Delivers” – BCG***

[View PDF \(37 Pages\)](#)

This is no executive summary and is a whopping 37 pages of content. The findings are that digital initiatives do payoff and there are improvements in revenue that can accrue.

Another common sense finding is that complexity leads to more cost – so make the IT Operating model as simple as possible.

Not surprising is that most telcos do not have a true Digital Strategy – they simply have initiatives that are constantly being tweaked.

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

SEPTEMBER 2015

**“Global Financial Markets Liquidity Study” – PwC**[View PDF \(156 Pages\)](#)

Water is critical to life – after 4-5 days without it, you will die. Your reviewer contends that liquidity – please excuse the pun – is as important to our financial markets and by extension, economy, today. If you are reading this, then you should at least scan the executive summary of the comprehensive, academically-styled report by PwC, as this matters to you.

Whether you are a senior policy setter or a junior financial services practitioner, you will find value and insight in this document. It is likely that the former will find more of pertinence in the chapters on the Drivers of future financial markets liquidity (chapter 5) and Policy considerations (chapter 6), while the latter will do so in chapter 2, entitled ‘What is liquidity?’.

An extract from the report’s synopsis underlines the importance of your attention to this topic: “Thus, the study concludes that current and future market liquidity is a subject of concern for market participants. It further finds that there are grounds for a review of the calibration of the reforms to date and the ongoing regulatory agenda, in order to properly understand and consider the effects of regulatory initiatives on market liquidity by asset class, and to consider whether upcoming regulatory initiatives could likely exacerbate the trends in liquidity.”

AUGUST 2015

**“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.

JULY 2015

***“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.

JUNE 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.

MAY 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](#).

APRIL 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.

OCTOBER 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.

SEPTEMBER 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.

AUGUST 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.

JULY 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.

# *The Insights Review – FS Edition Team*

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

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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<sup>®</sup> – 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.

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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.

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## Further Information or Enquiries:

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