



THE INSIGHTS REVIEW

FINANCIAL SERVICES EDITION

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FINTECH, DISRUPTION & INNOVATION
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HUMAN CAPITAL
DIVERSITY

About this Report

The Insights Review – Financial Services Edition by ICG presents timely abstract reviews of the most relevant ‘open published’ perspectives and research reports from the world’s leading branded management consulting firms.

This publication ensures that executives and their internal consultants are exposed to the widest range of high quality ideas, techniques and methodologies developed across the management consulting industry globally.

Relevant insights are identified and classified once only, either in a general category, or by topic alignment to an industry segment or a functional area using our proprietary taxonomy.

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.

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ICG has developed a significant library of curated reviews and has made these available to executives and internal consultants as a complimentary platform resource.

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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&

Message From the Editor,

A shorter edition of *The Insights Review* than normal, as many of our Southern Hemisphere SMEs have been taking a well-deserved Winter break.

However, as always, there's no shortage of great reading, whether our pithy reviews or the insights themselves.

This month's Article of the Month goes to an interesting and rare read on culture in financial services:

- [**"Management Information on Culture" – Deloitte**](#)

Thank you for subscribing to *The Insights Review* – if you find it valuable, feel free to forward to your friends and colleagues.

We also invite you to check out the newly accessible *TIR* back catalogue [here](#).

Regards,

David Moloney
Global Editor



David Moloney
Global Editor

About

David has enjoyed a stimulating career in the global financial services industry. Unusually for a consultant, he spent the first decade of his career working in banking from retail stores to helping the CEO with consulting firm led transformation projects. Transitioning to consulting via an MBA, he has spent more than two decades serving every segment of the industry in many countries. Importantly, as a global partner at two leading firms, he was well known for developing fresh firm and industry insights and in one firm, was directly responsible for leading the authorship of the most significant global reports for release at the World Economic Forum.



**THE
INSIGHTS
REVIEW**

FINANCIAL SERVICES EDITION

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Financial Services: Industry Economic Context

General Strategic Interest

“Five Priorities for Competing in an Era of Digital Globalization” – McKinsey

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

Mini advertorial for a prior MGI report on the impact of digital globalization. If you just read the five key questions, you might ask ‘how could such comprehensive analysis be distilled down to such basic strategy questions?’

“Australia: Taking Bigger Steps” – AT Kearney

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

Relevant to all Internal Consultants seeking the answer to either of two key questions:

1. What are the major technology disruptions likely to face my economy by sector (and in what sequence and at what level of impact) over the next ten years? (For the answer, see the excellent Figures 5 and 6).
2. How would I go about developing a relevant scenario analysis for the evolution in economic growth and geo-political cohesion.

With the exception of some Australiana, the insight is incredibly well written (so well that we are close to forgiving ATK for copying McKinsey’s new habit of blatant executive/client profiling) and includes lots of good general knowledge that will help any reader. Highly recommended.

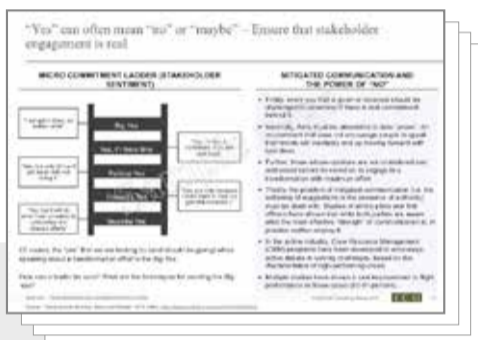
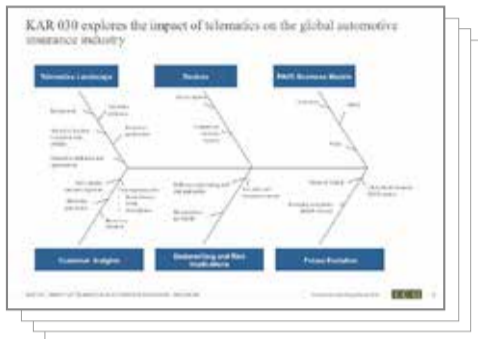
Engage Your Peers (EYP)



Harnesses ICG’s international network and research capabilities to provide a structured approach to introducing organisations in one country to their non-competing peers

[VIEW EYP >](#)

KNOWLEDGE AREA REVIEWS (KARs)



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A New Kind of White Paper

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

Popular titles include:

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

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Financial Services: Industry Categories

Retail & Business Banking

“For Commercial Banks, a Better Route to ‘All Aboard’” – Bain

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

A brief article that highlights the inefficiencies that are still common across on-boarding and customer identification processes in commercial banking, often leading to delay, duplication, and client frustration.

The clear challenge is how to reduce complexity of onboarding processes without compromising the integrity of risk management protocols. A number of initiatives and best practices are suggested, although not covered in any particular depth. Some are process-driven (for example, rationalizing obsolete data requirements); while others require a level of organizational re-alignment (e.g. dedicate specialist teams).

“Major Australian Banks” – KPMG

[VIEW PDF \(31 PAGES\)](#)

A detailed and useful report on the relative financial performance of Australia’s 4 major retail banks, based on published 2016 half-year financial results. The report includes metrics and rankings across a number of elements of financial performance, including interest margin, asset quality, capital, costs, and ROE.

The picture that emerges is of a strong and robust sector that for years has achieved exceptional financial performance, however is now facing a period of slowing earnings growth, reflecting changing market conditions and a tougher regulatory environment.

Across all 4 majors, ROE – while still strong – was lower than previous years. In particular, it is notable that loan impairment charges have risen by 49% since prior year’s low base, normalizing towards historical long-term averages and signaling the end of the benign credit performance of recent years.

Trends & Best Practices in Retail & Commercial Banking Distribution

KAR 029



180 pages

Provides a broad view of the evolution of the global payments environment and its implications.

[VIEW KAR 029 >](#)



Financial Services: Industry Categories Fintech, Disruption & Innovation

“An Incumbent’s Guide to Digital Disruption” – Mckinsey

[VIEW PDF \(10 PAGES\)](#)

A retelling of the story about frogs in slowly boiling water, illustrated with historical examples of incumbents who jumped early and others who left it too late. A conceptual S-curve model is presented to help you guess how close you are to being disrupted and when to jump. This is an article all about the difficulty of decoding weak signals and predicting the future, the disruption that small things on exponential trends can cause, innovator’s dilemma, disrupt yourself or get disrupted, and similar ideas you would have come across before. Read for general interest only.

***Editors note:** The small volume of esoteric examples is evidence of just how hard this is – we prefer BCG’s thinking on Ambidextrous Strategy.*

“UK FinTech on the Cutting Edge. An Evaluation of the International FinTech Sector” – EY

[VIEW PDF \(67 PAGES\)](#)

A report by EY for the UK government about the opportunities for London as a fintech hub and the competition from other hubs, like New York, San Francisco/Silicon Valley and others. It presents a thorough analysis of the fintech innovation categories and ecosystem, although the examples are selective and there is more going on in the hubs than the report reveals. The report does provide lots of data and a good guide for policy makers as to which parts of the ecosystem are strong and which they could assist. But with Brexit declared since the report was published, some of its hopes for London may have to be scaled back. Read for policy ideas, not for fintech business ideas.

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Synthesizes perspectives of leading consulting firms, global corporates, and boutique research houses.

[VIEW KAR 011 >](#)



Financial Services: Industry Categories Fintech, Disruption & Innovation

“DeNovo Q1FinTech ReCap & Funding ReView” – PwC

[VIEW PDF \(36 PAGES\)](#)

A quarterly update on fintech trends and industry shaping forces, with a thematic focus this quarter on the influence of the sharing economy on insurance and payments. Also discussed is the convergence of fintech and traditional finance, with fintech startups adding pieces of traditional finance, and traditional players adding bits of fintech. A thoughtful edition about a diversity of trends and issues. We look forward to reading next quarter's.

Post Implementation Review (PIR)



Helps identify issues early and keep projects on track during implementation. We also help with objective assessments past “go-live”, stakeholder alignment and extraction lessons learned.

[VIEW PIR >](#)



Financial Services: Industry Categories

Corporate & Investment Banking

“Corporate & Investment Banks Search for Light at the End of the Cycle” – Bain

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

This is a concise article by Bain & Co, but not a new one. Regular *TIR* readers will have seen similar reviews many times in this section. As consulting firms continue to posit on this topic, it could be that CIB executives are not heeding the free advice and getting going, or that there is so much work to be done it is worth them all setting out their expensive stalls.

Some of the content to stimulate action is newish, like block chain technology, but many of the oldies – digitalization, regulation and peer-to-peer competitors – are still in there.

The call to action – and it is *action* that is required – is explicit (and it may be so on the assumption that the previous messages have landed) and succinct, paraphrased as:

- Define an explicit ambition
- Choose where to play, and
- Build differentiated capabilities.

For those CIB executives that have yet to act, after reading this there are more on the following page in *The Value Migration* by BCG.

“Is Private Equity the Bridge to Bring European Banks to Safer Shores?” – Bain

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

A short, 4-page article by Bain & Co on why it makes sense for PE to dive into equity stakes in the capital-hungry European Banks. The argument is that PE has both the capital and the expertise to purchase selected assets for turnaround gains. The most generally interesting insight included is the chart of sector-by-sector ROE for European companies.

If you are interested in PE, it will only take a few minutes to review as it is in typically concise, well-presented Bain house style.



Financial Services: Industry Categories Corporate & Investment Banking

“Global Capital Markets 2016: The Value Migration” – BCG

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

As aforementioned, this is the fifth annual study of the global investment banking business.

It is data rich and comprehensively presents the state of the sector. If you are reading this because CIB is your space, you reviewer highly recommends this quality article.

BCG explores the trends at a more granular level of detail than Bain and from a different perspective, *viz*: the capital markets ecosystem, but the end point is the same. CIB executives are encouraged to take action. BCG suggests that there are six pillars to focus on in order to transform themselves to compete in tomorrow’s capital markets industry.

The Future & Implications of the Evolving Payments System

KAR 017



90 pages

Provides a broad view of the evolution of the global payments environment and its implication on the key stakeholders in its various jurisdictions.

[VIEW KAR 017 >](#)



Financial Services: Industry Categories

Wealth & Asset Management

“Are You Ready for Robo Advising?” – Bain

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

Robo startups are increasingly aware that their biggest challenge is access to cost-effective distribution – there are few client-capture strategies that make sense when each client delivers such marginal value. Conversely, this very short article from Bain reminds incumbents of the value that a robo strategy can deliver when client-capture is not an issue. Many incumbents are finding value in building a pipeline of future HNWIs, others are ring-fencing their cost-conscious Gen Ys into low cost models, while others are widening their embrace of family groups by offering low cost services to children. There is every chance the winners in the robo space will be consumers and incumbents rather than the disruptors that many are expecting. At two pages, there’s little further you’ll learn more from the article itself – so make this one to skip.

“Impacts of the Blockchain on fund Distribution” – Deloitte

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

With an introductory line stating “Blockchain has the potential to wipe Luxembourg off the map”, the authors clearly have great expectations for the disruptive potential of this technology. The article describes a not-too-distant future where blockchain has replaced all intermediaries that maintain registers or execute transactions between parties. The authors describe in detail how blockchain can be applied throughout the funds management value chain – including use of smart contracts – and they balance this with a discussion of implementation challenges such as acceptance of the technology, scalability, and privacy. This is one of the more comprehensive articles on the application of blockchain in asset management. Despite jarring grammatically throughout, this is important reading for those working in the asset management industry, particularly those with international funds registered there, or service providers to the industry in general. Of course, it is perhaps most important reading for industry players in Luxembourg itself.

Confidential Market Sounding (CMS)



Improves understanding of the external environment by recording the appetites and views of external stakeholders.

[VIEW CMS >](#)



Financial Services: Industry Categories

Life Insurance

“Transforming Life Insurance with Design Thinking” – McKinsey

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

A refreshingly blunt look at what is wrong with the life insurance industry. For internal consultants, it contains three sources of value:

1. Exhibits which portray the main players who are unbundling the supply chain and where leakage occurs along the customer journey;
2. A first-level benchmarking tool to help insurers see the gap between themselves and those most advanced digitally; and
3. A classically sensationalist slide on the frequency of engagement across different industries (Exhibit 3) which many will add to their toolbox.

The insight is also a reminder that design thinking is not new, it simply applies the well-known agile test-and-learn paradigm systematically along the customer journey, rather than just the moments of truth or market-research-driven pain points.

“Rebirth of an Industry: Life Insurance Disrupter” – Actuaries Institute

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

Simplistic PPT look at the who, what and how of six of the bigger categories of disruption in the industry. Internal Consultants will be pleased to use as a benchmark for their own work and explore some of the ‘Who?’ brands that their radar may have missed (especially if they are not using ICG’s GIR [Global Industry Radar](#) tool).

Virtualization in Financial Services

KAR 015



75 pages

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

[VIEW KAR 015 >](#)



Financial Services: Industry Categories

Life Insurance

“Pension Freedoms” – KPMG

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

A short, sharp look at the implications of the latest UK regulation. The insight is, however, relevant to internal consultants across the globe. It also shares some erudite perspectives on the mega-trend of platformization and the changing interface between advisors and clients and the manufacturers.

Impact of Telematics on Automotive Insurance

KAR 030



98 pages

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

[VIEW KAR 030 >](#)



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Financial Services: Functional Categories Strategy & Transformation

“Investors Care More About Sustainability than Many Executives Believe” – BCG

[VIEW PDF \(32 PAGES\)](#)

This MIT Sloan Management and BCG report adds the dimension of Investor considerations in the complex relationship between Sustainability and Corporate Financial Performance. With the availability of access to data and rich analytical tools, it is now possible for investors to better evaluate their investment choices in companies that show high performance in sustainability and financial parameters. The article calls for more companies to take action and put a good sustainability strategy in place, and build a strong business case around it for investors.

There are a vast set of variables that interact and correlate between sustainability and financial performance that could causally influence the outcome of each other. *Ceteris paribus*, the article shows that in general there is a positive relationship between sustainability and financial performance and that today’s investors are leveraging data and analysis tools to develop inclusionary investment strategies.

The article also provides clear guidance on what steps corporates need to take to meet the needs of pro-sustainability investors. Definitely worth the read for all corporate executives and Board Members.

“How Social Tools Can Reshape the Organization” – McKinsey

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

For decades, the email has lumbered on – but perhaps not for long. Social tools that corporates largely used in external facing processes are now beginning to apply them internally within the organization. This McKinsey article indicates that there are a bevy of new, sophisticated, yet simple to use tools that are changing the ways organizations work to achieve better collaboration, real-time interactions, improved and fluid communication, and many more. When done right, it seems that the payoff can be impressive: companies not only expand their social media reach significantly, they also get measurably better operational performance.

This article is worth the read for pretty much any level of executive in an organization.



Financial Services: Functional Categories Strategy & Transformation

“The ‘How’ of Transformation” – McKinsey

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

Within the framework of transformation approaches made up of “What to do” and “How to do it”, this article focuses on the component called ‘Performance Infrastructure’ (which is a part of the “How to do it” section). The article urges all transformation programs to put in place a people, process, and tools infrastructure collectively called the ‘Performance Infrastructure’ in order to ensure superior execution of the transformation process.

This reviewer felt that while the content is hard to fault, it would have served the article better if the performance infrastructure showed how it would help deal with the complex interplay between a) the economic system, b) the institutional system, c) the social system, d) the political system and e) the individual, all of which holistically make up an organization. Nevertheless, the article is worth the read for transformation/change managers.

Digitisation in Retail Banking

KAR 008



138 pages

Synthesises perspectives and experience of leading consulting firms and global corporation.

[VIEW KAR 008 >](#)



Financial Services: Industry Categories Extended Enterprise & Joint Ventures

“Exit Playbooks Rather than Just Exit Clauses” – KPMG

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

In part four of its series on joint venture management, KPMG focuses on the value of exit playbooks.

Termination clauses in formal contracts “are often legalistic, tend to focus on risk mitigation rather than value extraction, and do not provide practical steps suited to the exit situation.” We could not agree more. A JV’s contractual frameworks remains the same throughout the JV’s life – yet each party’s assumptions as well as strategic and operational requirements may change more dynamically and more unilaterally.

Exit playbooks for each party are one answer to mitigate risk and extract value. KPMG argues that the two critical factors impacting the shape of the exit playbook are whether the joint venture is core and whether the exit is planned. The additional dimensions we suggest are interconnectedness and degree of integration. The more embedded the JV is within their shareholders’ respective ecosystems, the more impactful a termination will be.

All of this is easier said than done – the devil, as always, is in the implementation.

The short article is worth reading by any CEO as a reminder of what matters.



Financial Services: Industry Categories

Corporate Finance / M&A

“Reporting on Alternative Performance Measures” – EY

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

A short article aimed at the Board’s Audit Committee. It discusses the benefits of including “alternative performance measures” (KPIs supplemental to the conventional ones in financial statements) in company reports and the difficulties that can arise. European companies face regulation in this area – so the discussion is more urgent for them – but shareholders and regulators everywhere are interested in more useful reporting.

“M&A Integration in Financial Services” – EY

[VIEW PDF \(44 PAGES\)](#)

Based on findings from a 2014 survey of 200 executives in financial services companies (banking, insurance, asset management) that have done at least one acquisition recently, this report presents a prescription for increasing the odds of successful integration in financial services M&A. Agreeing the integration plan before signing, and giving the integration project office team enough of the right kinds of people – including from the acquired side – are two of the prescriptions discussed. While these seem like conventional wisdom, there is more to it. The survey data gives guidance on just how important they are, and the size and composition of teams, to make an integration work in a financial services context, where IT and regulation are sources of unique complexity.

Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses

KAR 032



106 pages

Covering the Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses.

[VIEW KAR 032 >](#)



Financial Services: Industry Categories

Corporate Governance

“The FCA’s Business Plan 2016-17 Key Actions for Your Firm to Consider” – EY

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

With the release of its Business Plan 2016/17 in April, the FCA has made it clear that technological innovation is one of its top priorities for the coming years. As well as its latest brainchild, Project Innovate, the FCA also wants to encourage the industry to club together to form a non-profit umbrella company to act as a ‘sandbox’ for testing out new technologies. But it has also flagged the ‘systemic risks’ that come hand-in-hand with progress into uncharted waters.

The Business Plan highlights the five big concerns the FCA want financial services firms to think about. The FCA has outlined a number of ways it plans to help firms overcome these challenges. A useful primer for firms who want to get ahead of the game, and are prepared to invest in the most advanced systems and safeguards possible, if they are to avoid seeing the dark side of technological progress.

“Governance in Brief Risk, Internal Control & Longer Term Viability: Unlocking the Value” – Deloitte

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

The biggest individual new reporting requirement in the 2014 UK Corporate Governance Code has been the longer-term viability statement. Where businesses have gone beyond mere compliance with the requirements, they have found that the work performed to support the longer-term viability statement can add significant value. In this insight, Deloitte identifies and explores some of the benefits we have seen, providing companies with areas to consider in order to ensure they are deriving the most value from this exercise as they approach their second year of reporting under the new requirements.

The short briefing is very high level, highlighting a few key areas of focus... but often reads like a sales pitch.

Transformation Leadership

KAR 027



110 pages

In-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others.

[VIEW KAR 027 >](#)

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- Productivity tools via custom-coded macros
- Seamless access to your corporate knowledge base.

ICW provides a powerful workbench environment that empowers users to work more efficiently and effectively, focusing their time on insight and reporting rather than production and graphical tasks.

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- Dozens of macros and productivity and learning tools
- Customizable to other brand standards for a modest fee.

[MORE INFORMATION >](#)



Financial Services: Industry Categories

Human Capital

“How New CEOs Can Boost Their Odds of Success” – McKinsey

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

McKinsey assessed the major strategic moves made by nearly 600 CEOs during their first two years in office. These included management reshuffles, major M&A, cost reduction programs, strategic reviews, and the like. The result showed that the success of certain actions hinges on whether the company is performing well or poorly at the time the new CEO takes office, and on whether the CEO is an internal promotion or comes from the outside.

Not surprising is the finding that external CEOs are more likely to undertake difficult paths. McKinsey provides good reminders that new CEOs, irrespective from where they hail, do well adopting an outsider’s mindset and bucking the trend instead of following what everyone else is doing. Successful new CEOs also will proceed more conservatively when their company is doing well, and more open-mindedly when the company is underperforming.

The article provides specific examples and successful actions. It serves as a good reminder of what matters – not just to new CEOs, but to new division heads and other leaders as well.

“Ahead of the Curve: The Future of Performance Management” – McKinsey

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

A lot has been written about the inadequacies of performance management in the past twelve months. Few writings, however, have provided actual insights into the path ahead for performance management. What is to replace it? How will compensation decisions be justified, if not for ratings, rankings bell curve crams, and other demotivating machinations of annual reviews?

McKinsey describes how a number of Fortune 100s are abolishing annual reviews in favor of periodic forward looking development conversations, informed by constant data points provided by multiple sources. These companies also have thrown out “performance-based” compensation, recognizing that autonomy, mastery, and purpose motivate much more than jealously guarding small differences in pay vis-à-vis one’s peers. They have also introduced fixed pay and a combination of cash and share-based bonuses based on company-wide success. Special rewards only go to those 10% of people who truly outperform.

This article is a must read for every CEO and every HR Director or Chief Talent Officer. It is high time that we abolish performance management as we know it.



Financial Services: Industry Categories Diversity

“Realizing Gender Equality’s \$12 Trillion Economic Opportunity” – McKinsey

[VIEW PDF \(52 PAGES\)](#)

McKinsey Global Institute continues taking a longer-term view (2025 horizon) and draws attention to a global picture in relation to gender issues. MGI’s research team directly shows how gender parity can boost GDP. The team persuasively demonstrates that the power of gender parity should not be underestimated.

MGI has identified 15 gender equity indicators that create the Gender Parity Score (GPS). The authors use these indicators to assess what is needed for the world to achieve the UN’s Sustainable Development Goals (SDGs). The result is rich and compelling data about the future, as well as a clear road map for action and investment.

ARTICLE OF THE MONTH

“Management Information on Culture” – Deloitte

[VIEW PDF \(32 PAGES\)](#)

Researchers, analysts, and business leaders have studied and created numerous models of organizational culture. The concept of culture is not new to organizational development. This article outlines 8 principles that companies should use to assess their culture. Deloitte has packaged the concept as Culture Management Information or Culture MI. None of this is new.

However, what is interesting in this article is the application to financial service firms. The article provides a guide for firms who do not have an emphasis on culture within their current business environment.

It provides a framework for those who want to understand, assess, and manage their culture, and it can be adapted globally to respond to different regulatory bodies.



THE INSIGHTS REVIEW

FINANCIAL SERVICES EDITION

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ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



Financial Services: Articles of the Month

The Best Insights of the past 12 months

MAY 2016

“BCG Technology Advantage” – Deloitte

[VIEW PDF \(48 PAGES\)](#)

The closest thing to a Mini CIO MBA, this is 46 pages but definitely worth reading.

Ralf and team are on tune with their insights on what really matters. Yes, this is slightly financial services-orientated, but clear lessons for all CIOs to take note of.

Do yourself a favor and read this one – our joint winner of ‘Article of the Month’.

“The Six Signature Traits of Inclusive Leadership” – Deloitte

[VIEW PDF \(32 PAGES\)](#)

It is not hard to be impressed by this insight. Deloitte has pulled out all stops to ‘future back’ the leadership traits that will future-proof your career and CEO potential. The article is in three sections – the first nicely argues for the second – but those short on time can skip what is a generously interpreted set of mega trends that support the need for new leadership traits. The second section identifies and defines the six new traits and 15 supporting elements, which are convincingly argued and differentiated from mainstream thinking. The third short section talks to implementation, so we suggest internal consultants and their executive clients turn to section 2.

A worthy joint winner of our insight of the month award!



Financial Services: Articles of the Month

The Best Insights of the past 12 months

APRIL 2016

“World Insurance Report 2016” – Capgemini

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

A data-rich, 54-page production with 30 pages of report supported by a wealth of country snapshots as appendices – from Australia to the United States – with the authors working closely with EFMA as research supporters.

The two-chapter report condenses a massive 15,000-plus ‘voice of customer’ survey looking at motivations, habits, preferences, and behaviors across 30 countries and synthesizes the outputs into two bold and interlocking summations. 1. “Gen Y experience suppresses global improvement in customer experience”; and 2. “Connected technologies threaten traditional insurance models”. The proposition for readers being that Gen Y and the Internet of Things present a potent mix for insurers. Probably hard to disagree with this – but the article does flesh out both sides of this view in some detail and gives a ‘currency check’ by market.

Bringing in themes and views on many related articles over the last 12 months (mainly the multitude of digitalization pieces), your reviewer considers this a must read for anyone looking at the future dynamics of consumer insurance.

This larger insight is a worthy winner of our ‘Article of the Month’.

MARCH 2016

“Blockchain-Enabled Distributed Ledgers: Are Investment Banks Ready?” – Accenture

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

Excellent article by Accenture, hones in on the CIB as the sector to lead the charge to redefine the operations and economies of the financial services industry via the development of blockchain technology. As such, this is an article of relevance to all in financial services and not only those interested in CIB.

In the context of capital markets the benefits of blockchain technology are clear and appealing and include:

- Faster settlement times that are user optimized
- Lower collateral requirements and counterparty risk
- Improved contractual term performance
- Greater transparency for regulatory reporting
- Better capital optimization.

However, the challenges are myriad and in the topic areas of: privacy, security, scalability, latency, implementation and governance. Notwithstanding these, a timeline is posited with 2016-17 the period for early adopters.

As the title probes, “Are Investment Banks ready?”.



Financial Services: Articles of the Month

The Best Insights of the past 12 months

MARCH 2016

“Is Gender Diversity Profitable? Evidence from a Global Survey” – IIE

[VIEW PDF \(35 PAGES\)](#)

The Peterson Institute for International Economics has sponsored global research into gender diversity. The authors present a compelling case for scrutinizing the benefits of gender diversity.

In their Working Paper Series which surveys 22,000 companies from 91 countries worldwide, they challenge the assumption that gender diversity automatically equates to improved business performance.

Their findings reveal a complex picture of global comparisons worth examining in detail. For example, they find no impact of board gender quotas on business performance. However, they do find significant payoffs of policies that facilitate women rising through the corporate ranks that contribute to women's leadership roles.

If you want to educate yourself about statistically significant issues in the gender diversity conversation globally, then you should read this article carefully.

FEBRUARY 2016

“Revealing the Chief Strategist’s Hidden Value” – Roland Berger

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

Roland Berger continues to impress with this authoritative and nicely produced JV insight with the University of St Gallen.

Drilling into the role description and measurement metrics of the chief strategy officer, Roland Berger finds more coordination and use of externals than you might expect – along with very poor means to measure effectiveness of people who are in the role for very short tenures. The report also includes some basic benchmarking data on size of internal strategy teams.

A shame the authors didn't look at how best practice strategy teams and their clients are augmenting their own capabilities with fit-for-purpose unbundled components from the global ICG platform.



Financial Services: Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2015 – JANUARY 2016

“Beyond Bitcoin: Blockchain is Coming to Disrupt your Industry” – Deloitte

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

A billion dollars in venture capital has flowed to more than 120 blockchain-related start-ups, with half that amount invested in the last 12 months.

This is just one of the insights in a very interesting article about developments in blockchain, which covers not only the potential impact for traditional payments, but also touches on some of the potential applications across multiple industries as diverse as Telecommunications, Healthcare and Energy.

A worthwhile and thought-provoking read for almost every reader of *The Insights Review*.

“Tomorrow Never Dies: The Art of Staying on Top” – BCG

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

A timely, important, and ‘in-character’ refresh of Henderson’s original BCG-founding framework.

The key insight is that in the 60s you could use market share scale to gain cost advantage. In 2016, you can’t afford to just milk large cows; the most rewarded companies are ones that milk cows and find new stars at the same time.

The advice to internal consulting teams reads like a laundry list driven more by the availability of archetypal case studies than a collectively exhaustive suite of actions, and includes:

- Portfolio component strategy needs to be aligned to its specific sector maturity level;
- You need a good star-search program (emergent test, learn, and expand)
- Our favorite: explore ways large incumbents can use their considerable resources to shape industry evolution and set the rules of the game, especially in new ecosystem plays;
- The need to milk and star-search at the same time – be ‘ambidextrous’; and
- One which is fuzzy but is a mix of how leaders tell a complex strategy story with some coherence and the way they help staff deal with the mild confusion of all of the above simultaneously.

Exhibit 4 is a stand out strategy framework and one to add to every internal consultant’s tool kit.

A must read for internal strategy teams.



Financial Services: Articles of the Month

The Best Insights of the past 12 months

NOVEMBER 2015

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

[VIEW PDF \(30 PAGES\)](#)

Whilst European focused – 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.

OCTOBER 2015

“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.



Financial Services: Articles of the Month

The Best Insights of 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.



Financial Services: Articles of the Month

The Best Insights of the past 12 months

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.



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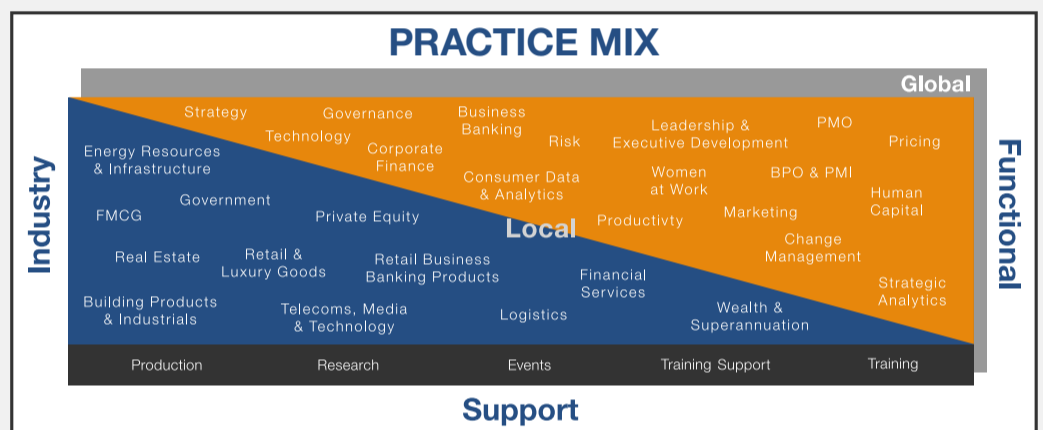
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

MEASURABLY IMPROVE BUSINESS IMPACT BY COMBINING COMPONENTS ACROSS 5 PLATFORM PILLARS

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WITH A HIGHLY DIFFERENTIATED BUSINESS MODEL THAT OFFERS REAL VALUE TO ITS CLIENTS

THE ICG PLATFORM BY THE NUMBERS

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<p>EXCEPTIONAL QUALITY (Matched & Curated Talent Pool)</p> <ul style="list-style-type: none"> Senior consulting and advisory experience Industry experience Subject matter expertise. 				<p>UNBUNDLED</p> <ul style="list-style-type: none"> Professional Labour Publications Methods Learning & Development Services. 	

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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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