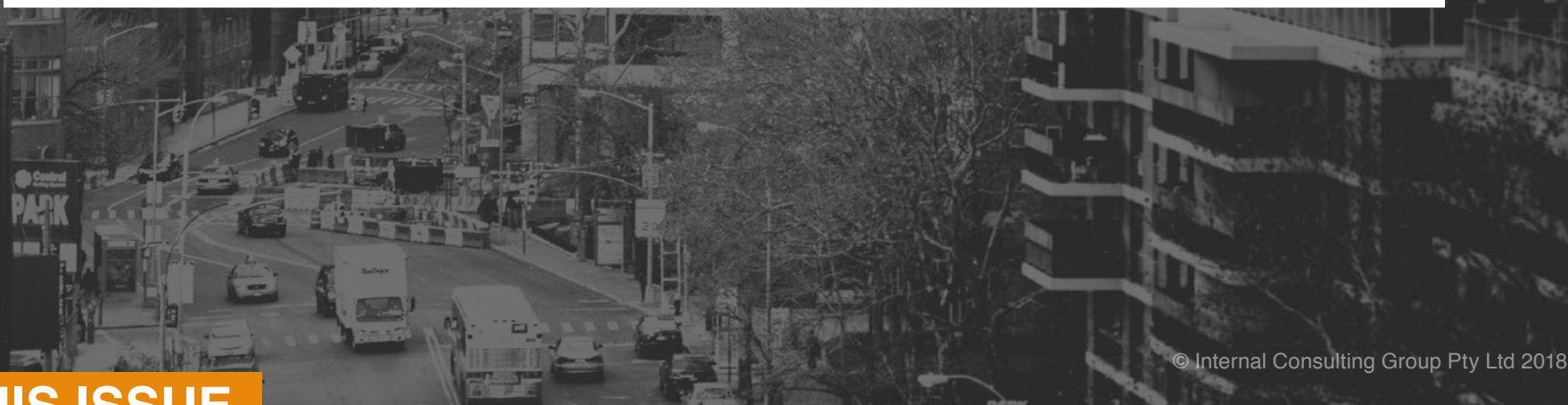




THE INSIGHTS REVIEW



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

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- ACC – The Association of Corporate Council
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- Macquarie University
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



Message From the Editor,

Value-adds, customer journeys, solution suites, and platform-based ecosystems might form a neat evolution of ways to further engage or enmesh with our customers. However, ICG advises its customers to focus their strategy on what they are capable of delivering and what works for their chosen market. While the seduction of a two-sided (or more) platform and the ensuing ecosystem of partnerships holds great appeal, this strategy doesn't work for all. ICG is the only consulting firm that has built a platform in the consulting industry, so we know more than others the difference between these various stages of evolution and the suitability of each evolutionary stage for our current and prospective clients.

Onto *TIR*, our August edition is always a mixed bag because the major houses resist publishing too much during the Northern Hemisphere summer – and this edition is no exception. However, since *you* haven't skipped this edition (and we wouldn't be true to form if we didn't say this is the edition to miss each year if you must miss one), then let us direct you to our 'Article of the Month'. This excellent insight was reviewed by Marc Potter and Vivek Sood from our operations and supply chain practices respectively. Thanks to Marc and Vivek, and congratulations to the authors from Oliver Wyman!

["Innovative Start-ups Are Shaping The Future Of Procurement"](#)
[– Oliver Wyman](#)

Happy ICG-ing!

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**



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Cross-Industry Functional Topics

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Cross-Industry Functional Topics

Ecosystems, M&A and Integration

Review by: Peter Dale | ICG Subject Matter Expert | [Contact](#)
Michael Roch | ICG Global Practice Leader | [Contact](#)

“Equipping Leaders for Merger Integration Success” – McKinsey

[VIEW PDF \(08 PAGES\)](#)

In the grand scheme of things, major mergers (versus small acquisitions) happen relatively rarely – thus they are not part of the day-to-day skill-set of most business leaders. Integration of major combinations remains a greenfield, and many combinations under-perform because organizations invent their integration approach de novo, pay lip service to it, or view integration as part of a manager’s day job – which it certainly isn’t.

While the article starts a little slowly, it contains excellent nuggets about how to equip a large leadership team to build a new organization, the result of which is that it outperforms those organizations that don’t invest in integration capability. McKinsey’s three-tier approach is immensely sensible and workable, and the article provides many lively examples. Our caveat remains that an integration will only be successful if the CEO and top team are sufficiently enlightened to invest in the required resources to get themselves and the leadership tiers below on the same page.

All in all, a good article and a worthwhile read for CEOs, CFOs, Heads of Corporate Development, and CHROs.



Cross-Industry Functional Topics

Human Capital

Review by: Michael Roch | ICG Global Practice Leader | [Contact](#)

Greg Barnier | ICG Practice Leader Organisation Culture & Workforce Capability | [Contact](#)

“Unleashing the Power of Small, Independent Teams” – McKinsey

[VIEW PDF \(09 PAGES\)](#)

An interesting (but somewhat wordy) article from McKinsey which may challenge those who are focused on alignment, collaboration, strong corporate governance, and process. The article does not ignore the importance of the aforementioned, but seeks to demonstrate the power of independent teams where appropriate. It takes the reader through some examples of organizations who have taken this approach and used agility to deliver solutions quickly.

Your reviewer was challenged about the balance of working across the organization and independence. The answer lies somewhere in the key components identified in the article, and an organizational culture would support this approach.

CHROs and CEOs who are looking for new ways of working to adapt to rapidly-changing business environments will find the article interesting.

“Decoding Global Talent 2018” – BCG

[VIEW PDF \(27 PAGES\)](#)

At 23 pages, this reviewer was searching for the executive summary. It was then realized that the paper was the summary... of an extensive survey of labor trends and work preferences of workers across 197 countries. There is a lot of data, but the infographics help the reader to sort through and glean information. Insights are provided on changes since the last survey in 2014. While there are some insights that are obvious (e.g. Exhibit 4), some shifts in mobility and preference are surprising.

The implications for companies and governments are easier said than done. CHROs may find the survey results informative when considering workforce planning issues.

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 >](#)



Cross-Industry Functional Topics

Human Capital

Review by: Michael Roch | ICG Global Practice Leader | [Contact](#)

Greg Barnier | ICG Practice Leader Organisation Culture & Workforce Capability | [Contact](#)

“Making the Workplace Work for Dual-career Couples” – BCG

[VIEW PDF \(02 PAGES\)](#)

Although the introduction provides an example of working parents traveling the world who are lucky enough to also have a nanny, it provides good insights into issues facing families where both parents work. In Australia, the number of couple families (with children under age 15 years) that have both parents working is 64%, and where both work full-time the figure is 25% (ABS media release 159/2017, December 2017). The article mentions that Australia’s figures are a little higher than those quoted by the ABS.

This article is essential reading for CHROs and senior business leaders who are considering strategies to help employees who may be struggling with managing work and domestic responsibilities.

BCG rightly takes the view that this is a workplace issue which affects employee engagement and productivity. The article looks at the issue from a talent retention perspective and identifies four priorities and provides some examples, to support employees in dual career households. [lr](#)

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- The CNS approach enables you to measure ongoing execution and to monitor and report results. To do so, we have developed an innovative new metric, NetCNS, created by Stephen Hewett, an ICG Global Thought Leader.

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Cross-Industry Functional Topics

Risk & Compliance

Reviews by: Egbert Schaefer | ICG Practice Leader Risk & Compliance Management | [Contact](#)

“2018 State of Compliance” – PwC

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

PwC conducted a survey on how organizations can stay ahead of regulatory requirements and what makes compliance programs more successful in one organization than others.

The article suggests that the use of technology and frequent reviews of the entire compliance framework contribute substantially to the success of compliance programs, inspiring confidence in the organization's leaders to take risks and realize market opportunities.

While the study sheds some light on compliance programs in different organizations, the correlation and integration into the wider risk management framework at the enterprise level is not clearly evaluated. Reliance on compliance – i.e. achieving the minimum standard of adhering to applicable laws, regulations, and internal policies – may lead to overconfidence, since other risks are ignored. Readers will need to find more information about effective compliance programs and their integration into the organizational risk management frameworks elsewhere.

“Preventing Disaster: How Banks Can Manage Operational Risk” – Bain

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

According to Bain's analysis, since 2011 major banks lost approximately 210bn USD due to operational risks. In order to decrease these risks and overcome inherent challenges, four guiding principles are suggested:

- Full integration of Operational Risk Management (ORM) into the Enterprise Risk Management framework
- Clear definition of roles across the organization and hiring the right talent
- Continuous review cycles enhancing the organization's learning and improving ORM, and
- Regular validation and adjustments of metrics.

Implementation of these principles needs to be supplemented with suitable technology which enables the organization to monitor and supervise the framework in a timely manner. Technology, in combination with a sophisticated ORM framework across the entire organization, provides capabilities to manage major operational risks closely linked to higher profits.

The article is a recommended read for all risk professionals aiming at enhancing the operational risk management framework in their organization.



Cross-Industry Functional Topics

Risk & Compliance

Reviews by: Egbert Schaefer | ICG Practice Leader Risk & Compliance Management | [Contact](#)

“Operational Resilience” – KPMG

[VIEW PDF \(04 PAGES\)](#)

UK's Prudential Regulation Authority (PRA), the Bank of England, and the Financial Conduct Authority (FCA) released a discussion paper about Operational Resilience. The main focus is the introduction of a Chief Operations Function responsible for business continuity of operations, systems, and technology. Purpose is to ensure continued provision of critical services. This goes beyond the traditional approach to resilience, and includes other threats such as cyber attacks, pandemics, third party failures, etc..

In the article, KPMG suggests its own operational resilience framework comprising:

- Board and strategy
- Policy and framework, and
- Operating model.

KPMG's brief summary helps to illuminate the key points of the joint discussion paper and how it could be realized in an organization. Therefore, it is recommended for all executives who are responsible for operational resilience in their organization. The IR logo is a small black square with the letters 'IR' in white.



Cross-Industry Functional Topics

In-House Legal

Reviews by: Elizabeth Burns | ICG Subject Matter Expert | [Contact](#)

“Making Technology a Member of Your Team” – ACC

[VIEW PDF \(03 PAGES\)](#)

In a world where data creation has outrun the creation of storage to contain it, this short article explains succinctly how data review technology has become a non-negotiable tool for legal teams, both in reactive information review, and as a proactive tool to identify and head off emerging issues.

The author argues that while technology makes life easier and more efficient for lawyers, it complements their legal and analytical minds but does not replace them. This may currently be the case, but with the rise of “machine learning”, when will lawyers analysis and judgment of information be outrun by the analysis and judgment of the machines that are reviewing that information?

The strength of this article is that it breaks down how data analysis can assist lawyers by providing examples. It will be of interest to any In-house Counsel who deals with large and complex amounts of data. **lr**

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Cross-Industry Functional Topics

Supply Chain

Reviews by: Vivek Sood | ICG Practice Leader Supply Chain | [Contact](#)
Marc Potter | ICG Practice Leader Operations & Change | [Contact](#)

ARTICLE OF THE MONTH

“Innovative Start-ups are Shaping the Future of Procurement” – Oliver Wyman

[VIEW PDF \(05 PAGES\)](#)

Here is a quotation from the article that sums it all up:

‘In the course of our study, one CPO of a worldwide technology company summarized the change that needs to take place. “Buyers must understand that they cannot work in the same way as they have in the past,” he told us. “Leading corporations now focus their attention on digital leadership and prototyping as a way of instilling a start-up culture within their organization. Procurement leaders must therefore constantly try out new ideas over a very short space of time, then accept any failures and learn from them.’

This is an excellent scan of what is happening in the digitization of procurement. Anybody who has even a passing interest in procurement, strategic sourcing, or purchasing should at least scan this article to become aware of the changes underway in this often staid space.

While there are no earth-shattering strategic frameworks, just the scan of all the startups will open the eyes of the practitioners to new ideas, new ways of doing old things, and new possibilities.

While reading the article, do not worry too much about the investments and funding. Try and understand the underlying value proposition of each startup – and how you could apply, or replicate it, in your space. Something innovative is bound to emerge if you do this diligently. Highly recommended. **lr**



Cross-Industry Functional Topics

Operations & Transformation


Reviews by: John LaVacca | ICG Practice Leader Operations & Transformation | [Contact](#)

“The Agile Manager” – McKinsey

[VIEW PDF \(06 PAGES\)](#)

This article will be of benefit to leaders with aspirations of implementing agile ways of working in their organizations. It is also of benefit to those tasked with implementing such change, managers operating in newly configured agile structures, and indeed those performing day-to-day activities in established agile teams. While much of the information has been available in other forms, this short article adds value by bringing it together in a practical way to assist organizations to gain more from their agile initiatives.

The authors provide a useful framework to align an organization around roles, responsibilities, and the skills and capabilities required to embed successful change. They also highlight some of the high-level challenges an organization may face adapting to the change. However, they do not provide detail on how to overcome these challenges, nor the human dynamics that can pose the greatest threat to success. Granted, these would be difficult to encapsulate in an article, yet addressing these challenges will often mean the difference between real agile organizations and window dressing.

Recommended reading for all on the agile journey. 

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Cross-Industry Functional Topics

Innovation & Disruption

Reviews by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

“Managing Risks & Enabling Growth in the Age of Innovation” – PwC

[VIEW PDF \(28 PAGES\)](#)

PwC has surveyed over 1500 risk executives in mid- to large-size companies around the world on the interesting – and somewhat conflicted – question of managing risks relating to innovation, because innovation is vital for survival and growth. So not innovating is a risk, but by definition innovation will produce unexpected outcomes – so there is a danger that risk management suppresses innovation. Innovation also creates and uses new technologies that, through malign intent or accident, produce new external and internal risks to manage (like cybercrime, vulnerable IoT, and unintended outcomes from applications of AI). The article’s discussion of the survey findings highlights this dilemma, and is worth reading for this reason... although not so much for its prescriptions.

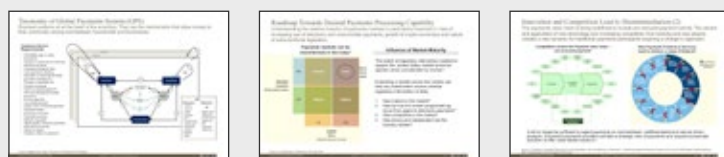
“Telling a Good Innovation Story” – McKinsey

[VIEW PDF \(05 PAGES\)](#)

A short article that discusses the use of stories to describe the different ways successful innovations have come about: first to find a new way, reinvention of existing solutions, perseverance (like Edison), and serendipity etc.. The angle seems to be that telling such stories about successful projects inside, or studying such stories from outside, will inspire and increase innovation. Perhaps, but they’re just stories and are a bit like reading biographies. They can be interesting, but they’re not a recipe for repeatable success or the blueprint for an innovation factory. Skip this one. **lr**

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.

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Cross-Industry Functional Topics

Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)

“Making Payments Work for You: How Merchants can Optimize Payments for Growth” – Oliver Wyman

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

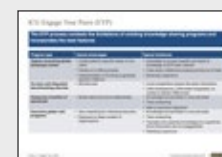
A well-written article targeted at merchants to help them gauge how payments play a role in their customer and business success. Some of the world’s largest retailers are used as examples (Amazon, Starbucks) but these payment experiences are not available to the masses yet, even if technology is slowly bringing down the cost-to-play. In our experience, there is no cookie-cutter answer, but great payment experiences are derived over time where customer experience, affordability, and technology are collectively planned and executed in alignment. Getting these basics right gives you the ticket to play in the data, pricing, and loyalty space, with many options available in the market.

“Merchant Payments Digest: 15th Edition” – Oliver Wyman

[VIEW PDF \(05 PAGES\)](#)

Great synopsis of “what happened in payments this month”. Some notables included BBVA’s facial recognition payments system pilot at restaurants, Amex avoiding antitrust trouble in the US, and PayPal’s Smart Payment Buttons. There’s also an interesting brief on Microsoft and Walmart potentially partnering to compete with Amazon Go. [Ir](#)

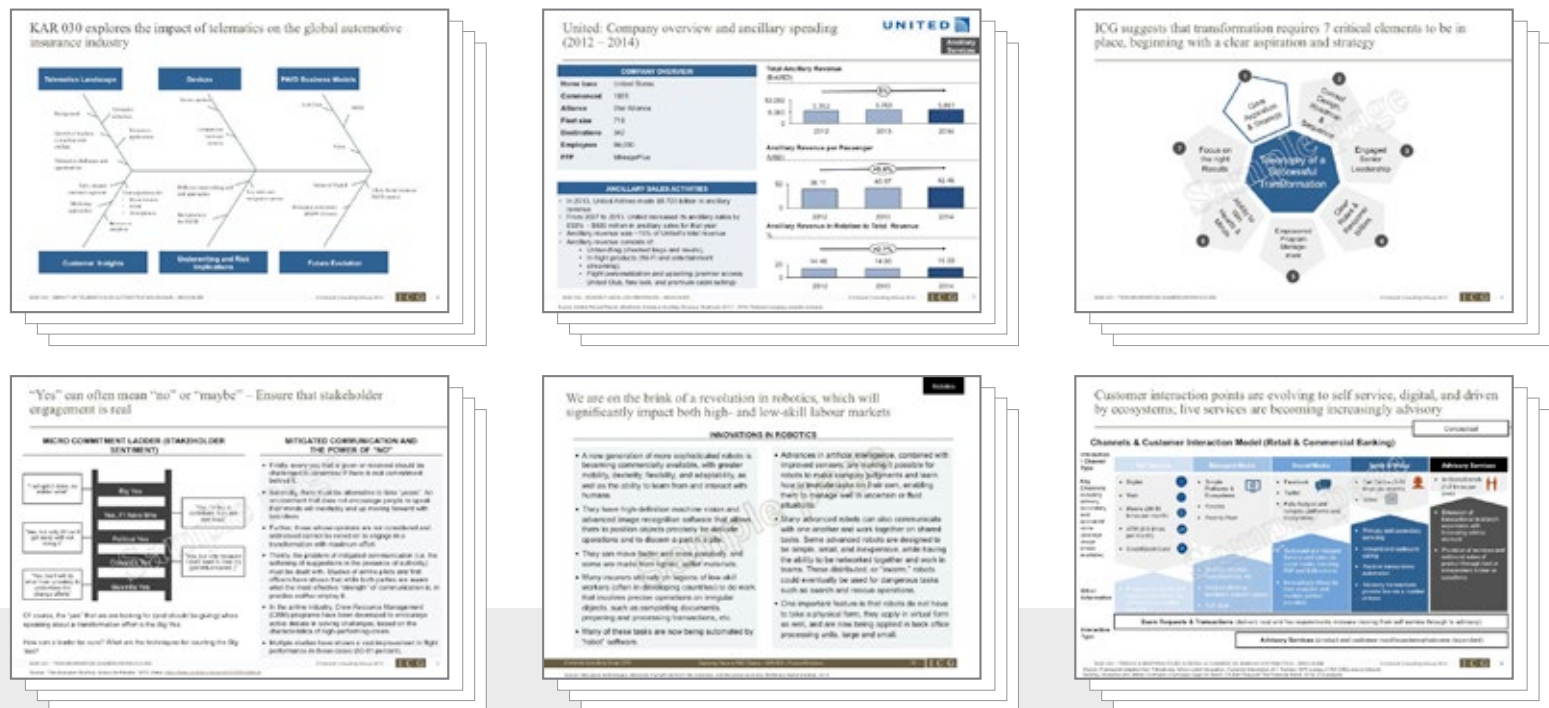
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- Transformation Leadership
- Virtualization in Financial Services
- Pricing in Retail Banking
- Impact of Telematics on Automotive Insurance
- Bank Cost Reduction Program

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Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Fintech](#)

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Industry-Specific Topics

Macro Financial Services

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)


“Striking a Balance Between Well-being & Growth” – BCG

[VIEW PDF \(39 PAGES\)](#)

BCG takes a macro lens to this question across 152 countries in order to show how economic wealth generates well-being for its citizens at a diminishing rate. They further investigate the relationship between the two to show how countries that invest this wealth into well-being grow even faster and are more resilient to crises such as the GFC. The report ends with a look into the input factors with the biggest difference between Q1 and Q4 performers, identifying employment, education, and governance as the major differentiators after income per capita. This insight provides a great starting point for internal consultants working inside governments, but offers little to financial services executives.

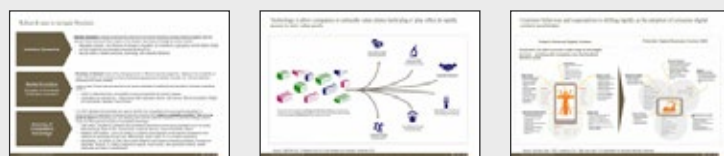
“Funding Takes Center Stage for Nonbank Online Lenders” – Deloitte

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

Short survey of 33 US-based online lenders attending a conference in the US. The insight provides useful summary information on their relative size (skewed and bottom heavy), their funding costs (scale helps and narrows the range) and observes that the largest players are better able to access securitization. A worthy skim read, but only for internal consultants exploring this subsector. 

Innovation in the Business Banking Value Proposition

KAR 011



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Industry-Specific Topics

Retail & Business Banking

Reviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)

“Global Retail Banking 2018: The Power of Personalisation” – BCG

[VIEW PDF \(28 PAGES\)](#)

BCG’s annual survey of the global retail banking industry reviews the comparative performance of retail banks across and within each of the major geographic regions. The report covers a range of topics, and is not light material, but rewards the patient reader particularly those with a strong interest in digital transformation.

BCG observes that banks are generally about midway through their transformation journeys, with banks across all performance quartiles having demonstrated success in using digital technologies to reduce operational efficiencies. On the revenue side, offerings are less mature and have not consistently been able to deliver enhanced customer experiences that have translated into higher sales.

To make further progress, banks must evolve their offerings towards greater personalization and continuous delivery - changes that will require key shifts through a bank’s value chain.

“A Bank Branch for the Digital Age” – McKinsey

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

We have seen a raft of articles in recent times describing the changing role of the traditional bank branch, and the emergence of smart-branch formats.

This article does a better than usual job of summarizing the operating model of a smart branch, including the capabilities, infrastructure requirements and reporting metrics that will enable banks and their customers to extract value from the model. **lr**



Industry-Specific Topics

Fintech

Reviews by: Richard Dale | ICG Subject Matter Expert | [Contact](#)

“Assessing the Impact of Big Tech on Venture Investment” – Oliver Wyman

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

This report from Oliver Wyman is not specifically about fintech. You may have heard concerns about the declining startup formation rate, and a “kill zone” around each of the big tech firms like Facebook, Google, Amazon (FGA), where promising startups in strategic areas are acquired early before they have a chance to grow into competitors. Perhaps feeling a bit sensitive, Facebook has paid Oliver Wyman to do this excellent analysis of VC investment activity levels to see if the dominance of FGA in the “tech” sector could be the cause. The report presents a comprehensive analysis of Crunchbase time series data on VC deals, which is interesting in its own right, and uses it to discount several hypotheses about the possible impacts of FGA. If you’re interested in VC investment trends, and the investment and M&A activity levels of FGA, this report is well worth reading. **lr**



Industry-Specific Topics

Corporate & Investment Banking / Institutional Markets

Reviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader (UK) | [Contact](#)

“Global Capital Markets 2018: Embracing the Digital Migration” – BCG

[VIEW PDF \(29 PAGES\)](#)

Here is yet another article on a topic that has been written about frequently in recent months. BCG is still petitioning (primarily investment banks) to get on with their digital revolution. To illustrate this, here is a copy of the *TIR* review in the January 2018 edition:

“There is not much new in this call to action for Corporate Banks to get going on their digital offerings in either the imperative or the approach. The stage that the corporate banking market place (among many others) is at, is; “just do it”, else others will take your clients from you. Your reviewer concurs with BCG in this.”

The challenges remain, or, are expressed in terms that are slightly more urgent. The remedies and actions to be taken are not novel. The incentive to move quickly is the offer of “the strongest position to secure long-term growth”. Again, the “just do it” refrain comes to mind. **lr**



Industry-Specific Topics

Wealth & Advice and Investments and Fund Management

Reviews by: Barry Johnston | ICG Practice Leader Wealth Management & Superannuation | [Contact](#)

“After the Easy Money Boom, Stark Choices for Asset Managers” – Bain

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

A solid article from Bain about the strategic choices faced by asset managers as a result of structural changes to the industry. Margin compression is a clear and present reality – particularly for the plain-vanilla funds. The authors contend that firms will need to adopt one of three business models to succeed going forward, and describe some of the critical success factors in each. While one could argue it reads a little like ‘asset management strategy 101’, there is enough in this to make it important reading for executives and internal consultants charged with ensuring their funds can maintain their growth trajectory in this rapidly-changing period.

“Game Changers in Asset Management” – KPMG

[VIEW PDF \(04 PAGES\)](#)

Not so much an article as a flyer to encourage readers to invite KPMG in for a discussion about the latter’s view of the three primary game-changers in asset management. There’s nothing new here, but your reviewer notes the game-changers below so you don’t need to invest the time if you they don’t pique your interest:

1. Explosive US growth of ETFs not yet replicated in Europe or Asia, although adoption is well underway; most asset managers are likely to need an ETF offering to compete over time;
2. China is genuinely opening its doors to foreign asset management firms – with significant global growth opportunity here; and
3. The use of responsible investing will increase as a tool to restore trust in the industry. However, our view at ICG is that trust in the finance sector in China is not an issue to the extent that it is in more developed FS markets, so game-changers 2 and 3 are probably mutually exclusive strategies. **Ir**

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 >](#)



Industry-Specific Topics

Life Insurance

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)

“Top Insurance Industry Issues in 2018” – PwC

[VIEW PDF \(86 PAGES\)](#)

This industry-wide insight feels long-winded – it is filled with relatively dense 101- and sporadic 201-level general consulting themes and ideas across a laundry list of major issue categories. It is US-centric, so also contains some US-specific data across P&C and Life and broker sectors.

Page 5 is a highlight as it offers a useful traditional insurance value chain model richly annotated with a very comprehensive set of the latest consulting approaches (and jargon).

This is useful reading for those who are new to the industry, juniors wanting to reinforce industry understanding, and seniors seeking a refresh. **lr**

REVIEWS OF THE WORLD'S LEADING INSIGHTS



THE INSIGHTS REVIEW

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ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



Articles of the Month

The Best Insights of the past 12 months

JULY 2018

“AI, Automation, & the Future of Work: Ten Things to Solve For” – McKinsey

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

This 16-page article summarizes research conducted by the McKinsey Global Institute. It offers an optimistic outlook on the ability of artificial intelligence and automation to transform businesses and make a positive contribution to economic growth.

The executive briefing will be of interest to anyone following the development of AI, and in particular those looking for ways to leverage the technology for productivity gains in their organizations. The potential to increase productivity is considerable, as are the collateral benefits of improved quality and consistency. The research explores the potential challenges to employment, examining the likely implications of displacing workers under a continuum of adoption possibilities. While this is less rosy reading, it is an important consideration given the scale of impact from AI.

The report chronicles challenges inherent in the migration to an AI enabled world, and concludes by calling out a number of problems to be solved. The recommendations require significant policy change well beyond business practices. This is well worth the read for those interested in the topic from either a business or social perspective.

JUNE 2018

“Fair Dues: Harnessing Fairness to Win Back Trust” – PwC

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

Excellent work from PwC here.

With help from two academics at the London School of Economics and 1,123 executive surveys, this ground breaking insight contributes heavily to new thinking on how to deal with incentive structures.

The insight includes a summary of relevant global regulation, an introduction to the principles of distributive justice, which includes concepts such as Sufficiency (a minimum standard of living for all) and Maximin (Income distribution should make the worst-off in society as well-off as possible).

PwC provide the usual line of survey findings but also include some segments known as fairness tribes and a five-step process that any internal consulting team would find very helpful.

Very well worth a read.



Articles of the Month

The Best Insights of the past 12 months

MAY 2018

“Notes From the AI Frontier: Applications & Value of Deep Learning” – McKinsey

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

A very high quality research report from McKinsey Global Institute. Even if you are only remotely interested in the applications of AI for business, it is highly recommended that you read at least the “In Brief” summary on page 3. However, reading the full 36 pages is rewarding.

The report is based on analyzing the utility of AI (the deep learning kind, using artificial neural networks and huge volumes of training data) in 400 use-cases McKinsey identified across functions and industries. This granular bottom-up approach leads to valuable insights, such as: AI significantly enhances traditional analytics, rather than creating lots of new applications; its greatest impact will be in business functions where there are lots of data captured for the AI to train on (e.g. marketing and sales, supply chain); utility increases with the quantity of data available and doesn't plateau like traditional analytics; but getting, labeling, and updating sufficiently large volumes of data is the biggest barrier to adopting and using AI, and an area of concern for privacy regulators and society at large.

APRIL 2018

“Fintech Predictions 2018” – KPMG

[VIEW PDF \(1 PAGES\)](#)

The link is to just a one page summary of KPMG's 10 predictions for 2018. For the commentary and statistics these predictions are based on, you need to read the much longer Pulse of Fintech Q4 2017 report. We regularly review these reports in *TIR*, and this latest one – and its predictions – suggests a continuation of the trends and developments mentioned in earlier reports. Congratulations to KPMG for continuing to invest in gathering and disseminating this comprehensive and consistent set of global fintech industry statistics each quarter, describing the activities of incumbents, startups, who's investing in them, and who's acquiring them.



Articles of the Month

The Best Insights of the past 12 months

MARCH 2018

“Labor 2030: The Collision of Demographics, Automation and Inequality” – Bain

[VIEW PDF \(68 PAGES\)](#)

Bain’s Macro Trends Group provides an extensive impact analysis of three converging trends: aging populations, the adoption of new automation technologies set to eliminate 20%-25% of jobs, and rising inequality. This contribution is a long read consisting of six chapters – three on the above trends, and one each on how this convergence unfolds in the 2020s with government’s inevitably increasing role in the marketplace, and implications for leadership teams navigating this new environment.

Bain makes one of the most compelling cases we have seen about this convergence, about the fact that automation is not just a fad trend, and about why senior leadership teams need to take this trend seriously – and do so now, not just in five years’ time. The impatient reader could quickly scroll to Chapter 6, where Bain provides implications for what this tangibly means for business.

We conclude that this is one of the best thought pieces of Q1 2018. It’s not a quick read, and not one filled with a convenient, practical to do list. Yet every CEO and CHRO should curl up with this, either next weekend or latest during the next reading vacation break.

FEBRUARY 2018

“Delivering Through Diversity” – McKinsey

[VIEW PDF \(42 PAGES\)](#)

McKinsey promises to prove that financial performance is inextricably linked to gender and ethnic diversity. Drawing from more than 1,000 companies covering 12 countries, the article flat out proves not only that top team diversity positively impacts financial results but also that companies with top teams that are not diverse underperform their peer group by 29 percent. 29 percent! The article then provides sound advice about how to increase a company’s diversity.

All in all, this article is what a management article should be: fact-based, with advice that can be used. We recommend this article as a must-read for all C-suite and managers.



Articles of the Month

The Best Insights of the past 12 months

FEBRUARY 2018

“How Diverse Leadership Teams Boost Innovation” – BCG

[VIEW PDF \(5 PAGES\)](#)

Competitor BCG has its own study and its own results. Yes, diversity leads to better results. But diversity also leads to more successful innovation. BCG thus manages to tie not just profitability, but also long-term performance (measured in innovation dollars) to diversity.

The article is more pithy and more focused than McKinsey’s longish piece, yet it is as worthwhile a read – for any CxO. Both consulting firms have shown the way to diversity – if your company lags behind, when will your shareholders come knocking?

DECEMBER 2017 - JANUARY 2018

“10 Principles for Winning the Game of Digital Disruption” – PwC

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

Another article imploring management to wake up to the digital disruption threat/opportunity for their business. Thankfully, this one is more helpful and describes 10 themes to analyze for potential disruption, possibly helping you generate new ideas similar to way Blue Ocean Strategy’s Six Paths Framework does. Each of the 10 themes is also illustrated with examples of disruptors and incumbents.

This is an excellent insight with some great case studies, and is our worthy winner of ‘Article of the Month’.



Articles of the Month

The Best Insights of the past 12 months

NOVEMBER 2017

“Memo to the CEO: Are You the Source of Workplace Dysfunction?” – McKinsey

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

The title is being polite.

Once you get past the benign title, this entertaining and highly readable article asks CEOs the following question: Is it your fault that your company is full of jerks?

The article provides a nice seven-factor self-assessment and then five ways to tackle the problem. Highly insightful and entertaining at the same time – a recommended read for all, especially those who want to do something about how they affect others.

OCTOBER 2017

“Where is Technology Taking the Economy?” – McKinsey

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

First, a big thanks to W. Brian Arthur – independent professor – for bringing McKinsey and us (ICG readers) thought leadership on the highly talked about subject that is the socio-economical impact of the new industrial era.

What a refreshing and thorough article this is! The author goes beyond the common debate of whether or not the 4th revolution will destroy or create more jobs, instead positioning the debate on the need for adequate distribution of the production/productivity gain from this revolution. He makes reference to the universal revenue trial in the Scandinavian countries, and to John Keynes predictions back in the 1930s, and provides plenty of relevant examples.

Lastly, the author also reminds the politicians that if they don't act on new social policies, they will most likely be forced by the people to do so – as has been the case throughout history.

A very interesting and compelling article that you will enjoy reading.



Articles of the Month

The Best Insights of the past 12 months

SEPTEMBER 2017

“Build & Protect Firm Reputation” – Accenture

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

This is a great step-up article by Accenture in a field they are not famous for. Accessible and containing some excellent new material, this insight is well worth reading for executives and internal consultants needing to be across all the major frameworks required to manage conduct risk.

The headline here is that the aggregate misconduct bill across the industry over a 7 year period is a staggering US\$300B!

Of more utility to internal consultants and their clients is a well-engineered reputation driver framework that highlights governance and community as the two key drivers that are directly related to conduct and behavior.

The insights include five thematic challenges for a conduct program, a powerful inherent conduct risk danger framework (that we haven't seen before), some myth busters, and an approach framework and overview of three lines of defense that everyone should keep on their hard drive.

AUGUST 2017

“Sizing the Prize: What's the Real Value of AI for Your Business & How Can You Capitalize” – PwC

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

PwC examines the improvement potential of AI and how it can be applied to generate specific benefits. As with Accenture's report also reviewed here, the authors define AI as systems that can sense their environment, think, learn, and act autonomously. PwC goes on to classify AI in four ways: process automation, human assistance, augmented intelligence, and autonomous actors.

The report focuses on the value that can be created, and outlines the economies and businesses with the greatest potential for improvement. PwC sees AI as a big game changer that possesses the greatest potential to transform operations and business models. The report cites specific opportunities to reduce cost through process automation, improved decision-making, and revenue growth driven by more personalization, innovation, and improved CX.


This is a high quality report from PwC, building on its extensive experience with global surveys. The report projects specific improvement potential for select economies and industries. Similar to the Accenture report, the value lies in raising awareness and as a call-to-action rather than the precise percentage improvement reported.



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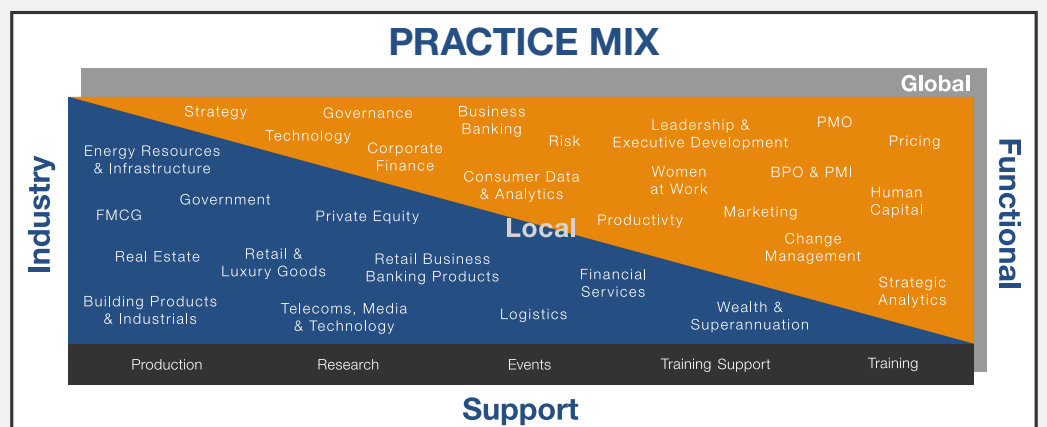
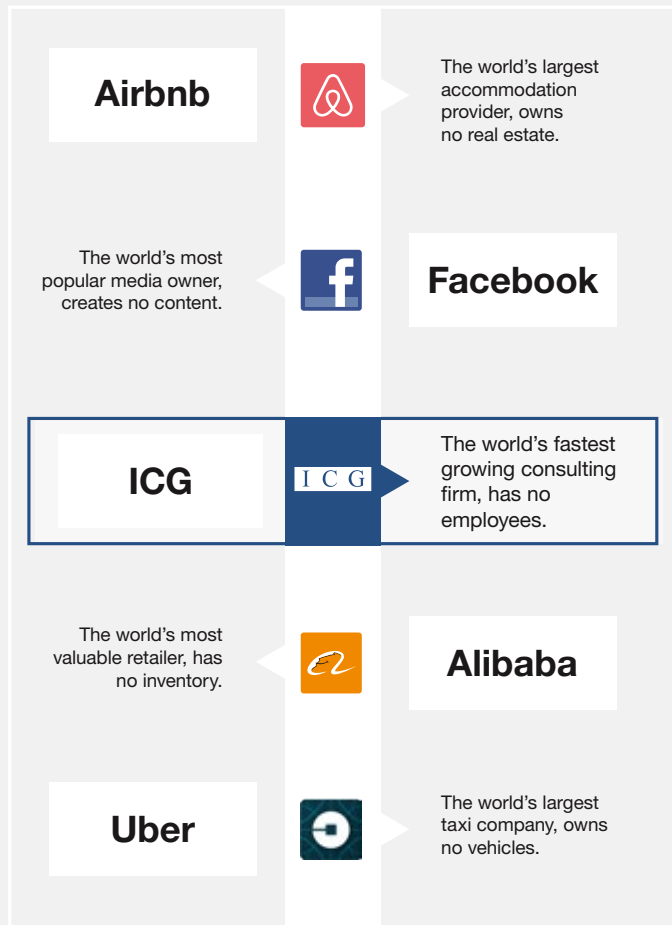


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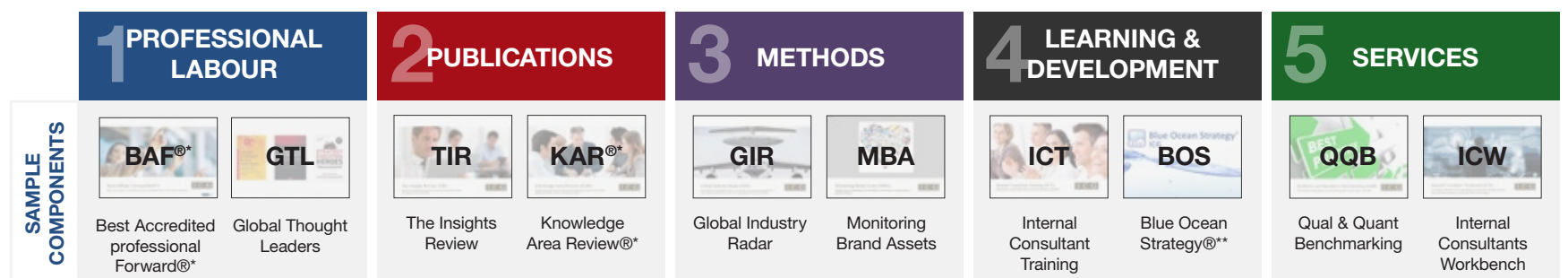
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