



THE INSIGHTS REVIEW



© Internal Consulting Group Pty Ltd 2019

IN THIS ISSUE

STRATEGY & TRANSFORMATION
ECOSYSTEMS, M&A AND INTEGRATION
LEADERSHIP & EXECUTIVE DEVELOPMENT
RISK & COMPLIANCE
FINANCE & CONTROLLING
MARKETING & CUSTOMER EXPERIENCE

TECHNOLOGY
OPERATIONS & TRANSFORMATION
INNOVATION & DISRUPTION
CYBER SECURITY & PRIVACY
PRICING

MACRO FINANCIAL SERVICES
RETAIL & BUSINESS BANKING
WEALTH & ADVICE AND INVESTMENTS AND
FUND MANAGEMENT
GENERAL INSURANCE

About this Report

The Insights Review 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.

Access to *The Insights Review* Archive

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

To access this library please click [here](#).

Advertising & Co-Branding

ICG prepares *The Insights Review* for its professionals and their clients as an aid to their career effectiveness and development. Each month, it is sent to over 100,000 financial services executives around the globe. It is also co-branded and sent to thousands of executives belonging to leading professional associations.

If your organization would benefit from redistributing, co-branding, or appropriate exposure in *The Insights Review* then please contact ICG's at production@internalconsulting.com

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:

- ACC – The Association of Corporate Council
- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte
- Ernst & Young
- FMCG
- Huron Consulting Group
- IBM
- King & Wood Mallesons
- KPMG
- L.E.K. Consulting
- Macquarie University
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



**THE
INSIGHTS
REVIEW**

Message From the Editor,

This month my theme is pricing. It is my favorite strategy lever and one that is ever so underutilized. I think this is driven by several factors: firstly, very few senior executives have pricing experience, secondly, many are scared off by the boffins required to deal with it effectively, and, thirdly, in a small number of well publicized cases, it has resulted in regulatory scrutiny and large fines or even jail terms. Little wonder executives don't pay it the attention it deserves. As one of the fastest levers to growth, it is one of my favorites, and I am delighted to announce that this edition's *Article of the Month* is from BCG on the topic of pricing. It has been reviewed by our global pricing subject matter expert, Alain Meloche. He highlights that this is not about Trade Finance, but an excellent approach to any B2B pricing optimization project:

[“Breaking the Commodity Trap in Trade Finance” – BCG](#)

Well done to BCG, and thanks to Alain for bringing it to our attention. Reading the *TIR* and the articles we recommend could be the highest ROI minutes you spend this month!

Happy internal consulting,

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**



Cross-Industry Functional Topics

| | |
|------------------------------------|----|
| Strategy & Transformation | 06 |
| Ecosystems, M&A and Integration | 08 |
| Leadership & Executive Development | 10 |
| Risk & Compliance | 11 |
| Finance & Controlling | 13 |
| Marketing & Customer Experience | 14 |
| Technology | 15 |
| Operations & Transformation | 16 |
| Innovation & Disruption | 18 |
| Cyber Security & Privacy | 20 |
| Pricing | 21 |

Industry-Specific Topics

| | |
|-----------------------------------------------------|----|
| Macro Financial Services | 24 |
| Retail & Business Banking | 26 |
| Wealth & Advice and Investments and Fund Management | 27 |
| General Insurance | 28 |

Special Feature | Contributors | About ICG

| | |
|----------------------------------------------|----|
| The Best Insights from the Past 12 Months | 29 |
| <i>The Insights Review</i> Team | 36 |
| An Introduction to Internal Consulting Group | 38 |



Cross-Industry Functional Topics

In this Section:

[Strategy & Transformation](#) | [Ecosystems, M&A and Integration](#)
[Leadership & Executive Development](#) | [Risk & Compliance](#) | [Finance & Controlling](#)
[Marketing & Customer Experience](#) | [Technology](#) | [Operations & Transformation](#)
[Innovation & Disruption](#) | [Cyber Security & Privacy](#) | [Pricing](#)



Cross-Industry Functional Topics

Strategy & Transformation

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

“Disruptions, Delusions, and Defenses in Digital Transformation” – BCG

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

Must-read short insight from BCG. Neatly summarizes all of the key insights from BCG’s literature and more, so provides a comprehensive laundry list of what to think and what to do on all things digital disruption. Essential reading for internal consulting teams. **DM**

“A Bad Time to be Average” – BCG

[VIEW PDF \(7 PAGES\)](#)

Another classic insight from BCG. This one takes us through a potted history of strategy development (with a natural bias toward BCG innovations) and makes a strong and varied case for why and how companies need to be exceptional and not average. This message of ‘you can be exceptional in an unexceptional industry’ was very popular in the literature in the late 90s, so good to see it making a comeback as many more industries face the doldrums. More essential reading for internal consultants and their internal customers. **DM**

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

Strategy & Transformation

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

“Fast, Simple, Streamlined” – Strategy&

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

An unorthodox look at strategy by one of PwC’s partners, in which we are advised to focus on just three things: portfolio optimization, innovation and stewardship. The first two make good sense in a constantly disrupting world; the last is a somewhat contradictory and muddled look at stewardship that unbundles into some familiar laundry list items such as platforms and partnerships. If you are tired of the same old same old, then this could be a refreshing change for you. **DM**



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](#)

“How Bold CEOs Succeed at M&A Turnarounds” – BCG

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

Based on a study of 1,400 turn-around acquisitions, BCG outlines five lessons for what makes such deals successful.

The lessons may not come as a huge surprise, yet two items ring especially true with this reviewer: moving at pace, and dedicating sufficient resources to the turn-around. Too many CEOs either forget about these lessons or just cannot make them happen. Yet nothing is worse than death by a thousand cuts (read: lay-off after lay-off) through a series of political or tactical moves. To contribute their best, people need to have immediate clarity of their role in the journey, book early successes, and have the resources to deliver them. Ignore this advice at your own peril.


An enjoyable read containing good lessons. **MR**

“Repeat Performance: The Continuing Case for Programmatic M&A” – McKinsey

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

In this study, McKinsey advances its 2012 research showing that publicly-held companies putting small-scale, programmatic M&A at the center of their business model outperform those without such a program or relying on one-off transactions.

The article provides some insights on what to look for in a successful M&A program and shows how one company uses technology to manage its dealflow.

It's an important read for those in charge of corporate development. It's also a necessary read for many CEOs who – citing the article's core message – continue treating M&A as a series of one-offs and not as an enduring organizational capability. **MR** 

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 >](#)

CUSTOMER NEEDS SOLUTION (CNS)

A new approach & mindset that helps your business grow by ensuring that you are always meeting your customers' needs and wants



Executive Summary

- Consistently meeting customers' basic needs is the proven way to outperform competition, and take the lead, in any marketplace.
- To do so, you need to respond to a highly competitive and complex omni-channel landscape, and avoid data overload and conflicting and confusing insights. Digital and competitor disruption provides additional challenges putting all revenue streams & budgets and resources are under constant pressure.
- CNS is a simple approach to understand your customers, and to determine the best course of action to delight them. Built on decades of deep CX expertise, and fused with the power of the latest AI technology, CNS is a solution that provides absolute and singular clarity about your customers' needs and wants, how well front line teams are delivering, and how they need to continue.
- CNS provides actionable information to focus your resources to ensure the maximum positive impact on your customers and your business. As a result, you will experience increased sales and profit, through happier & more loyal customers and more engaged staff.
- 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.

DOWNLOAD BROCHURE >



Cross-Industry Functional Topics

Leadership & Executive Development

Review by: Wade Azmy | ICG Global Practice Leader | [Contact](#)

“Unleashing Motivation for Transformation” – Deloitte

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

As the intended strategy gets overtaken by emerging ones, a firm’s transformation capability becomes its only enduring advantage; in the heart of this capability resides motivation. This month’s article sheds new light on how an organization may approach the issue of motivation.

The authors introduce “*scaling the edge*” as a new approach for transformation initiatives aimed at bypassing the traditional immunity system within the business that works against transformation and lead to undesired outcomes. The strategy focuses on non-core business or what is called an “*edge*” of existing business, one that can scale rapidly and become a new core. At the same time, it acts as a safe home for launching all the transformation programs. The *scaling the edge* approach aims at attracting more people and resources instead of fighting the immune system. The writer asserts several fundamental economic principles that can accelerate the scaling process and reduce resistance from the core.

Scaling the edge relies on two dimensions: economics and emotions. It starts with modest funding and commits to short term positive outcomes that lead to accelerating growth, which require a decided focus from the leadership team. On the emotion front, it drives excitement and hope and becomes a source of positive emotions.

When Kegan and Lahey (2009) set out to unravel the mystery of “immunity to change”, they discovered that desire and motivation alone couldn’t be enough to change the status quo. Only when we find out what competing commitments (economics) we have and challenge the deep-seated beliefs and assumptions (generating emotions) behind them, only then we can pursue a real and lasting change. **WA** **lr**



Cross-Industry Functional Topics

Risk & Compliance

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

“Why Financial Institutions Need to Focus on Transparency” – EY

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

In July 2018, EY published an article about the increasing requirements for customer tax transparency. Especially US-led regulations, such as the Qualified Intermediary Regime, FATCA and Common Reporting Standard (“CRS”), indicate rising regulatory expectations.

Based on its international experience, EY suggests evaluating and enhancing existing customer tax compliance frameworks, so that the following minimum criteria are met:

- Clearly defined and documented governance structure;
- Policies and underlying procedures create sufficient evidence;
- Staff are trained according to their individual roles;
- Internal as well as external audits reflect the compliance status; identified issues are re-mediated in a timely manner; and
- Used technology increases efficiency and consistency of outcomes.

The article is a recommended read for tax professionals operating in the financial service industry. However, considering the publication date, additional reading is recommended to understand the latest regulatory developments in applicable jurisdictions. **ES** The logo for the author, ES, is a small black square containing the white letters 'Ir'.

THE ICG PODCAST SERIES IS NOW A BOOK

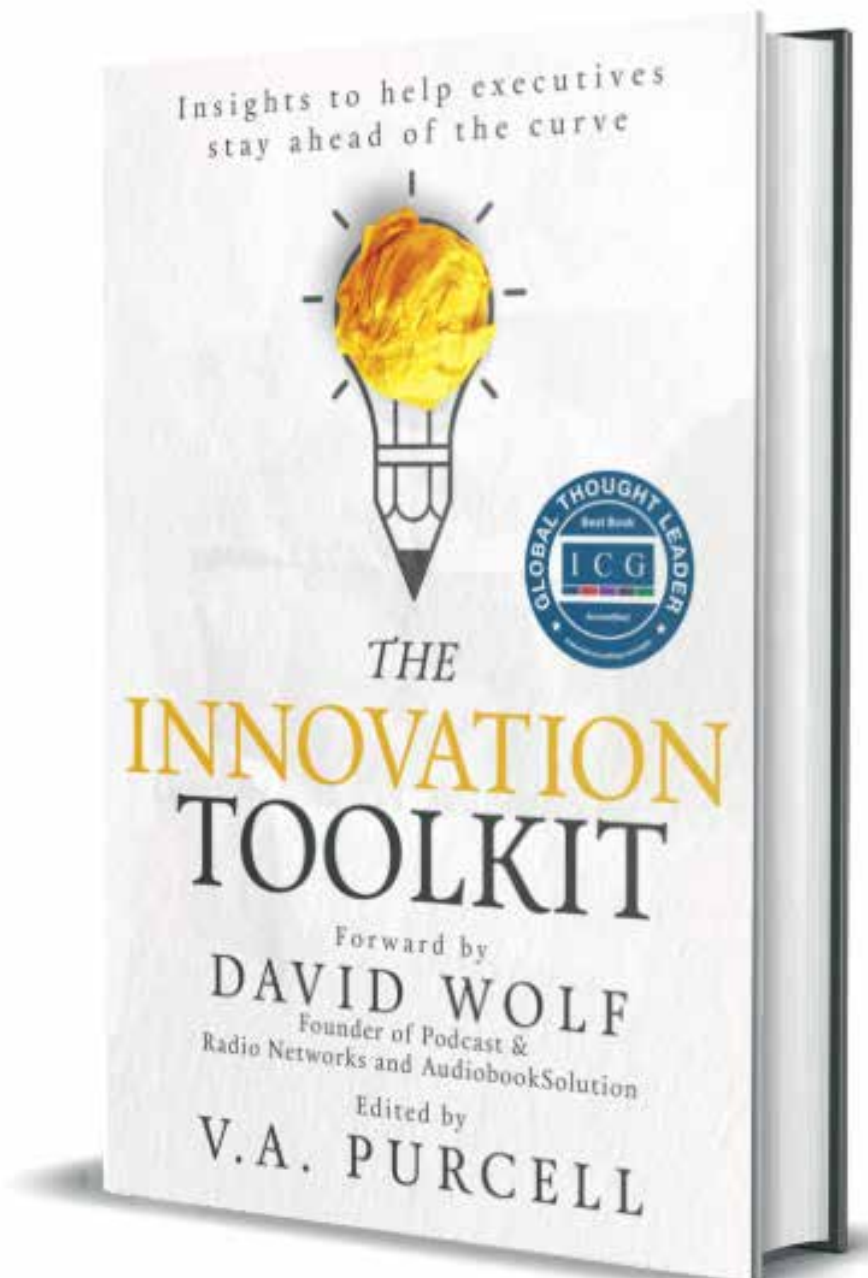
As the leader of your company,
you must stay on top of your
industry or risk obsolescence.
This can be a daunting task.

Get ready to solve your
biggest challenges and learn
how to capitalize on your
biggest opportunities.

AVAILABLE NOW ON AMAZON

\$24.95^{USD}

(PAPERBACK)



[CLICK HERE TO LISTEN TO OUR PAST PODCASTS](#)






Cross-Industry Functional Topics

Finance & Controlling

Review by: Peter Dale | ICG Subject Matter Expert | [Contact](#)

“Digital Transformation of the Finance Function” – Oliver Wyman

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

This is a good article, albeit regular readers will note that we have reviewed the impact of digitization on financial functions efficacy in previous editions of *TIR*. However, the authors’ proposed implementation approach in this article is flawed. Based on your reviewer’s experience in the area, suggestions of decentralized pilots lead to downstream complications – much better for the firm and function to develop a clear understanding, strategy, and criteria for use cases, and from that an identification of optimal areas to launch. In addition, having clear ideas of applicability will minimize duplication, which deploying pilots tends to lead to, as well as fostering an integrationist approach to all the initiatives. Once this understanding has been developed, then, by all means, employ third party advisors. **PD** 

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Addresses (and provides approaches to help answer) the questions on the mind of every financial services executive.

[VIEW KAR 011 >](#)



Cross-Industry Functional Topics


Marketing & Customer Experience

Review by: Lisa Hickson | ICG Subject Matter Expert | [Contact](#)

Stephen Hewett | ICG Global Thought Leader - Customer Experience | [Contact](#)

“Automating the Prediction” – KPMG

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

According to KPMG, banks will increasingly use a combination of predictive analytics/machine learning and low levels of automation to equip human agents to have better conversations with customers. Through this digital support, agents will effectively be empowered to be more future-focused in discussing the ‘next best offer’ or ‘next critical need’, thus will be both more relevant and also more productive. This will of course take time, requiring increased organizational focus and capability in holistic customer data management, customer experience design, and employee adoption, and will also require an evolving technology and innovation ecosystem. **LH** 



Cross-Industry Functional Topics

Technology

Review by: Christophe Amoussou | ICG Practice Leader IT & Transformation | [Contact](#)
Karen Ryan | ICG Practice Leader IT Strategy | [Contact](#)

“Cloud Computing: A Silver Lining for Banks?” – KPMG

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

This article is the preliminary result of a KPMG survey on how banks are set to implement the European Banking Authority (EBA) guidelines about outsourcing cloud computing to service providers. The main topics at stake here are going for “public vs. private vs. hybrid” cloud approaches, and behind it the battle of data ownership with the ability or not to audit it.

Firstly, the article reveals that banks are still hesitant regarding which path to take. They are in a ‘wait and see’ mode, with the majority of them waiting for the European Supervision reaction to the first movers. Banks are uncertain about EBA and National Competent Authorities (NCA) expectations.

Secondly, the article asks for the banks to proactively engage with their JST about EBA outsourcing guidelines and measure the gap to address them, as it will take time for the bank to then be compliant with their NCAs.

Overall, although this article provides some interesting preview on the survey results, we feel it is also a clever way to call for more banks to contribute to the survey. Indeed, KPMG does not reveal how many (let alone who) took part in the survey so far.

This article is best suited for banks’ IT and Transformation leaders. **CA** The Ir logo is a small black square with the white letters 'Ir' inside.



Cross-Industry Functional Topics

Operations & Transformation

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

“All Aboard the Distributed Economy” – KPMG

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

This short article encourages organizations to explore opportunities to improve supply chains and business operations through the use of distributed ledger technologies (DLT) such as blockchain.

The authors provide a high-level overview of the challenge organizations face as global supply chains are disrupted, requiring new tools to improve flexibility, efficiency, and transparency among trading partners. They note the leadership of Singapore and Hong Kong in establishing new DLT-based trading hubs, and the importance of understanding the direction being established. The article also lays out a set of principles to guide organizations considering moves toward DLT initiatives.

While the principles are helpful, there is nothing particularly specific to DLT. They centre on ensuring objectives are clear, defining a business case, building trust, transparency, and adapting to changing customer behaviors.

The article would be worth a quick read for individuals embarking on either a DLT or supply chain transformation, as it provides an overview of the topics and some points for consideration. **JL** A small icon consisting of the letters 'lr' in a bold, black, sans-serif font, enclosed within a black square.

NEED PRODUCTION SUPPORT?

Urgent turnaround is available via production@internalconsulting.com



POWERPOINT POLISHING

High quality, clear and consistent. From hand sketches or existing slides



CUSTOM GENERATED GRAPHICS

Illustrations, animations, and video



ENHANCED DIGITAL PRESENTATIONS

Distribute your deck as an interactive PDF or microsite

Contact us to discuss your requirements:

production@internalconsulting.com

internalconsulting.com/production





Cross-Industry Functional Topics

Innovation & Disruption

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

“Grey Swans That Could Disrupt Banking” – McKinsey

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

McKinsey speculates on five extreme, but not extremely unlikely (and quite sudden) scenarios that would cause once-in-a-generation disruption to the banking industry. The article describes how the scenarios might come about, and their impacts on banks, but not on how banks could prepare or respond. So, here are the inputs for many interesting scenario planning workshops and wargames. Wheel in the consultants! **RD**

“6 Ways Financial Services Firms Can Industrialize Innovation” – EY

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

A report on EY’s 2018 North American survey of 240 C-level executives across financial services sectors on their organization’s digital transformation journey and approach to innovation. Download the PDF version of this report rather than skimming the web page – it highlights some interesting trends, such as the pendulum swinging back from new business models and platforms to focus more effort on customer experiences and efficiency in current business models. After all, creating new business models that actually work is very hard (just ask any fintech startup). It also shows there are some disconnects in the C-suite team that will need to be bridged by CIOs, who seem to be driving innovation more than CTOs or their other C-suite colleagues. The article, however, ends with a list of very orthodox recommendations. **RD**

Engage Your Peers (EYP)



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

[VIEW EYP >](#)



Cross-Industry Functional Topics

Innovation & Disruption

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

“The Benefits Outweigh the Risks: Get Off the Fence & Onto the Blockchain” – Capgemini

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

This high-level recap of what blockchain means for financial services is for any Rip Van Winkles who missed the hype boom and reality check of the last seven years. The rest of you will need to find other sources for analysis of where blockchain can be an enabler of something new and better, rather than merely an alternative technology for doing the same thing (often not as well, and at greater cost). The Capgemini web page where this recap was posted does suggest links to more of their publications on blockchain, some of which might have something new to say. **RD**



Cross-Industry Functional Topics

Cyber Security & Privacy

Review by: Mike Trovato | ICG Global Cyber Security & Privacy Practice Leader | [Contact](#)

“Cybersecurity: Linchpin of the Digital Enterprise” – McKinsey

VIEW PDF (9 PAGES)


This article offers a way forward for enterprises determined to operate on cloud platforms and digitize their organizations and customer data. Well written, but wonky, boards may miss the central point: “If cybersecurity teams are to avoid becoming barriers to digitization and instead become its enablers, they must transform...” Well, your reviewer paused after that because the rest will largely not be understood by most board directors or executives and, further, they would not be able to ask questions beyond “is cyber security an enabler?” This is unfortunate, because it paints the cyber security function as the problem, rather than focusing on more fundamental business issues – like the overall development of digital capabilities across the organization, with cyber security just another integral part. Still, the details in the article are good, with the exception of a missed opportunity to consider privacy as a core capability. One must keep in mind “The Iron Triangle” when reviewing articles like this:

1. Develop something quickly and of high quality, but it will be very costly to do
2. Develop something quickly and cheaply, but it will not be of high quality
3. Develop something of high quality and low cost, but it will take a long time.

Board and executives need to understand the trade-offs and the catastrophic impacts of bad decisions. Unfortunately, too often they choose #2. **MT**

“Cyber Trust: a Platform for Banks’ Growth” – KPMG

VIEW PDF (3 PAGES)

If you have the patience and time to click all the various links, you may find some surprises in “*Cyber Trust: a Platform for Banks’ Growth*” which then links to “*Me, my life, my wallet*” and the more interesting “*Consumer Loss Barometer*”. Whereas much of the information mostly confirms what cybersecurity executives know, it may be illuminating for boards and the broader business community as it highlights the gaps between consumer and organization response. Still, a finer cut of the consumer perceptions would be useful if we are to bridge the gap between the often internalized views of CISOs, driven by even more internally-focused board and executives, versus really dealing with concerns of people they serve. There are a number of other links, including the “*Me, my life, my wallet*” interactive which is hosted on “Not Secure” (no https) website <http://raconteur-2.instantmagazine.com/kpmg/mmlmwdigital/cover/>. Again, this demonstrates the trade-offs between security and speed, as it is probably just an oversight. **MT** 



Cross-Industry Functional Topics

Pricing

Review by: Alain Meloche | ICG Subject Matter Expert | [Contact](#)

ARTICLE OF THE MONTH


“Breaking the Commodity Trap in Trade Finance” – BCG

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

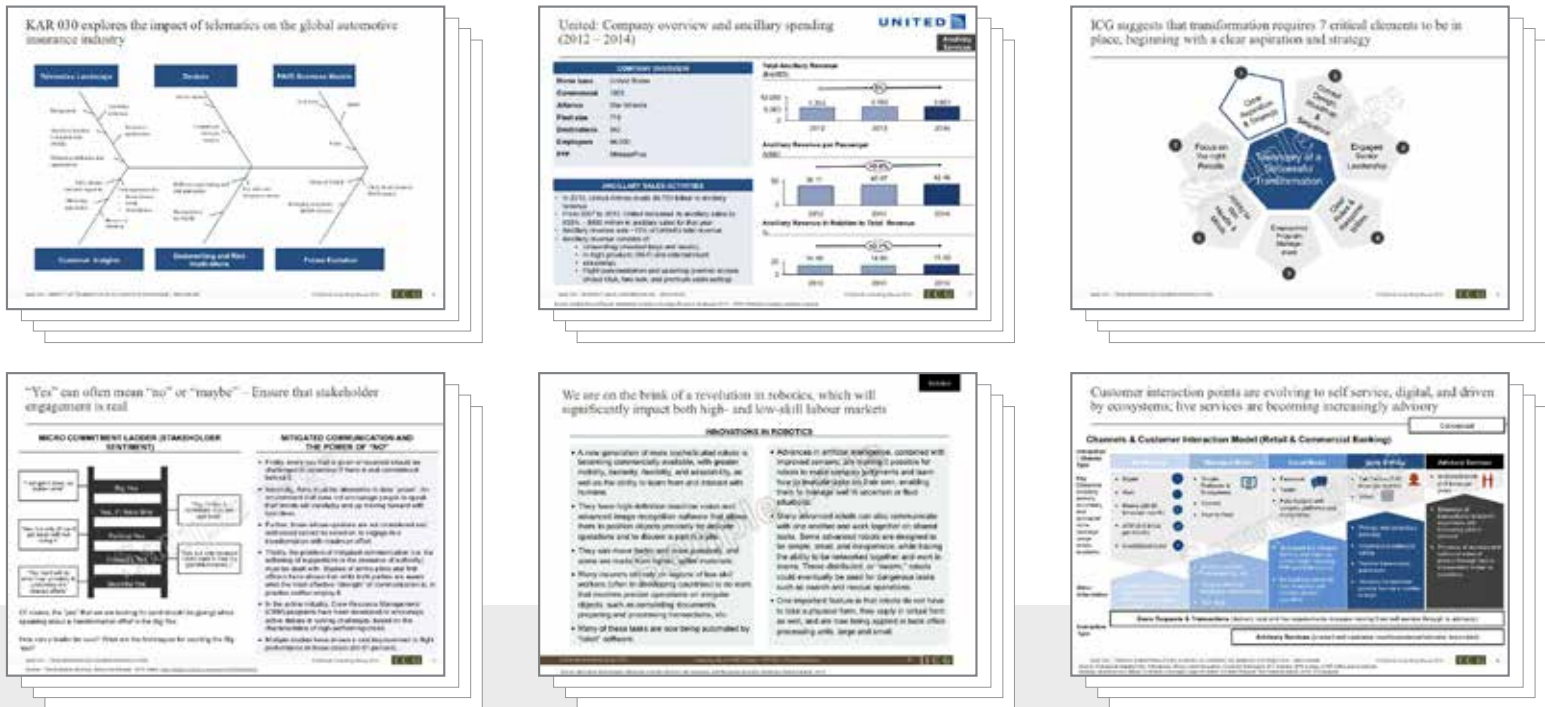
Though the title suggests that the article is limited to international finance, it actually provides an excellent example as to how B2B companies can apply a systematic pricing approach when prices are negotiated by regional sales managers (RSMs) with extensive discretionary pricing leeway.

It leads readers through a three-step approach:

1. A quantitative analysis of existing data to identify the extent to which “field discretion” can account for price dispersion;
2. The implementation of new pricing models and guidance that is more aligned to evolving market conditions; and
3. The provision of robust pricing tools as well as coaching and training for an effective change in pricing discipline.

This will be of interest to senior-level sales, pricing, and finance executives responsible for overall profit maximization on a corporate level, where products have been viewed as commodities. The article is relevant to a number of industries where rapid changes are occurring and latent profit potential opportunities need to be identified and exploited. **AM** 

KNOWLEDGE AREA REVIEWS (KARs)



Get smart quickly on almost any given topic, using ICG's ever expanding library of KARs

A New Kind of White Paper

- A peerless synthesis of publicly available information
- Information-rich slides with synthesized knowledge, categorized insights, and data visualizations
- 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





Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Retail & Business Banking](#)
[Wealth & Advice and Investments and Fund Management](#) | [General Insurance](#)



Industry-Specific Topics

Macro Financial Services

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

“Banks Brace for a New Wave of Digital Disruption” – BCG

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

This insight, written by a very senior BCG partner team, rehashes recent BCG digital transformation ideas but contains two new important exhibits:

1. A useful diagnostic tool for bank executives to assess their readiness to complete a digital transformation. Exhibit 4 is the starting point for this insight, as it provides a self-diagnostic tool for internal consultants which also serves as BCG's laundry list of product hooks for client CEOs.
2. Exhibit 3 contains a new 2 x 2 which assesses a bank's inherent advantages vis-a-vis the technology giant's ability to disrupt. Apple Pay and Libra are just the start of this trend, and retail deposits are next.

A useful checklist of ideas for internal consultants and executives worried about digital disruption. **DM**



SHARE YOUR INSIGHTS

You are invited to forward your copy of *The Insights Review (TIR)* to your colleagues and friends, allowing them to access the same level of quality reviews that save you time each month – whilst also keeping you abreast of the latest thinking from the global management consulting industry.

Not already subscribed?

SUBSCRIBE FREE >





Industry-Specific Topics

Retail & Business Banking

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

“A Path for Australia’s Banks to Delight Customers” – Bain

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

There are compelling insights in this article that will resonate with all those who are focused on customer-centricity programs. While most Australian retail banks have sought to implement such programs in recent years, they have not led to sustained improvement in customer outcomes, while more recent events (notably the Banking Royal Commission) have eroded trust and loyalty.

There are several reasons why customer programs have stalled, notably including the banks’ overriding focus on short-term financial results, which has often not allowed for sustained investment in customer outcomes. The article argues that the industry has now reached an inflection point, where public sentiment and regulatory changes will support a re-balance in favor of customer needs and priorities.

It is acknowledged that this shift will be difficult to achieve, and several design principles with relevant case studies are presented. For example, metrics should identify and track the full range of customer and operational levels that will deliver a positive outcome, rather than focus only on high-level engagement metrics.

While project funding for customer-first programs remains challenging, banks should look to optimize their investments by identifying crossover opportunities with compliance and remediation programs. Finally, boards should hold executives accountable for customer outcomes, similar to how profit and risk outcomes are monitored. **JC**



Industry-Specific Topics

Wealth & Advice and Investments and Fund Management

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

“How Asset Managers Can Seize the Lead in Sustainable Investing” – BCG

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

A brief article that nicely articulates the four challenges facing asset managers as they build capabilities that can meet demand for sustainable investment solutions. The authors recommend a number of initiatives to address these challenges, many well within the capabilities of firms to adopt in-house.

Insightful reading for assets managers tasked with weaving ESG into the investment selection process, as well as internal consultants and C-suite executives who recognize the importance of this growing sector. **BJ**

“Why Your Digital Transformation Requires a Winning Data Strategy” – EY

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

A short article from EY reminding us why data and analytics capabilities are important to the ongoing success of asset managers. Reads like a laundry list of reasons to embrace the cause, but ultimately there is little new here. Of passing interest to executives and internal consultants tasked with digital transformation projects in the AM industry. **BJ**

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

General Insurance

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

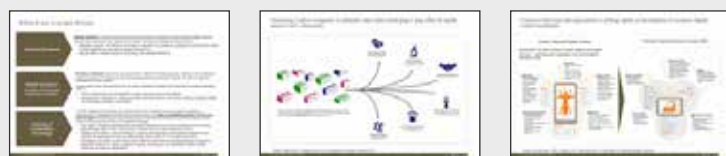
“Insurers of the Future: Policyholders, Partners, Preventers, & Payers” – Capgemini

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

At best, a marketing pamphlet. The insurance industry has a long tradition of evolving and covering new risks. Your reviewer would suggest the author perhaps spend some time in the London and Lloyd’s market where whole ranges of innovation (including cyber crime) have recently been developed and taken hold in the rest of the global industry. This market always leads and promotes innovation, and all innovations – current and historic – tend to emanate from there. **PD** **lr**

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Addresses (and provides approaches to help answer) the questions on the mind of every financial services executive.

[VIEW KAR 011 >](#)

REVIEWS OF THE WORLD'S LEADING INSIGHTS



THE INSIGHTS REVIEW

© Internal Consulting Group Pty Ltd 2019

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 2019

“Optimize Social Business Value” – BCG

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

Wow – a tremendous insight from BCG. Not just a reminder that purpose led strategy is on-trend, this is a wonderfully thoughtful and comprehensive framework-based approach to merging business sustainability and sustainable competitive advantage. The highlight is seven sustainable business innovation ideas that would create a wonderful basis for any internal consulting team tasked with exploring this issue.

It is a worthy joint winner of our *Article of the Month*, and is highly recommended for all readers.

JUNE 2019

“Pursuing Cybersecurity Maturity at Financial Institutions” – Deloitte

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

This must-read, high quality paper is based on a survey fielded by the Financial Services Information Sharing and Analysis Center (FS-ISAC), in conjunction with Deloitte’s Cyber Risk Services practice in the fall of 2018. It is clearly written and with excellent insights on resilience, cyber maturity, spending, and the “hidden game” that leaders with adaptive cybersecurity play. This one will interest business unit leaders, CISOs, CIOs, and CROs, as well as board members interested in a business perspective vs. a lot of jargon and discussion around cyber hygiene and cyber threats. Well done, Deloitte.

“Does Digital Leadership Matter?” – Accenture

[VIEW PDF \(23 PAGES\)](#)

A long but very valuable insight from the most senior team at Accenture. The first message is the sobering news about the proportion of revenue that is going to non-traditional players. While the message is obviously self-serving (technology-enabled strategy wins), the analysis and logic are compelling. The writing also has an unusual edginess to it – as if the non consultant trained editor was overruled – which allows for many more thoughts and left-of-centre insights to be packed in. This makes this insight differentiated from the rest of the pack. It is well worth a read, and a deserving co-winner of our *Article of the Month*.



Articles of the Month

The Best Insights of the past 12 months

MAY 2019

“Why Organizations Should Be Concerned About Privileged Accounts” – EY

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

Although it is often passed over as a key security topic, privileged account management (PAM) is getting increased attention from regulators worldwide due to several high profile attacks. This quick read is ideal for board or executives interested in understanding key controls in this important area, and could be used by CISOs as an outline for a PAM improvement project in their organizations – provided that they also apply a risk lens on the business unit or process to be secured. Although this paper was developed within the Asia Pacific market, it would apply to any other; just replace the relevant country or state regulation for compliance purposes. Ultimately, compliance should be a by-product of good privacy and security controls, as described here for PAM.

APRIL 2019

“Large-Scale M&A: Capturing Value Demands Flawless Integration” – Bain

[VIEW PDF \(21 PAGES\)](#)

As part of its larger private equity study, Bain focuses on what makes large-scale M&A successful when executed by mega-PE houses.

This article is a rare instance where the title under-promises and over-delivers. It is exceptionally well-written, engaging and useful. It is a must-read for anyone involved in structuring, performing due diligence, or integrating M&A transactions, large and small.



Articles of the Month

The Best Insights of the past 12 months

MARCH 2019

“AI Risk: The Newest Non-Financial Risk Every CRO Should Be Preparing For” – Oliver Wyman

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

In order to create a competitive advantage while increasing efficiency and customer experience, financial institutions seek to augment their operations with Artificial Intelligence (AI) technology. Examples of AI usage include customer onboarding processes, real-time fraud detection, and support in underwriting as well as pricing decisions.

However, according to Oliver Wyman’s article, organizations are less prepared to manage risks incurred through the use of AI technology. Contrary to traditional risks which are well understood, risks associated with AI technology are composite and complex in nature, spanning multiple horizontal as well as vertical dimensions. Oliver Wyman suggests creating a separate risk category for AI technology which requires:

- clear definition of risk appetite, operating model, and surrounding governance
- an inventory with all current and future AI endeavors
- clear definition of 2nd line ownership including in descriptions of roles and responsibilities across all specialties, and
- collaboration along the entire governance structure resulting in a risk-based, tiered management approach.

While some may consider AI risks as a future problem, due to the increased use of AI technology in today’s environment associated risks need to be identified, assessed, and managed simultaneously. The article is therefore a recommended read for all risk executives across all three lines of defense and technology professionals.

JANUARY 2019

“The Five Trademarks of Agile Organizations” – McKinsey

[VIEW PDF \(22 PAGES\)](#)

This comprehensive McKinsey article will benefit anyone embarking on, or already on the road to, implementing agile ways of working. Its strength is in consolidating a number of insights into a framework for agile organizational success. The 22-page piece leverages the experience of fifty of the firm’s agile practitioners to identify five trademark elements for agile success.

The trademarks are supported by 23 specific practices that provide a useful level of detail for the reader. Exhibit 2 provides an excellent summary of the concept, trademarks, and practices covered in the article. Exhibit 3 adds a number of building blocks for agile organizations. There is also an attempt to provide a historical context for the move to agile, as well as four trends driving the need for change.

While much of this is existing knowledge, it provides a practical level of detail for the reader. The authors take a position that all five trademarks are required to achieve agile success, and that they must work together. This is a worthy read and part of McKinsey’s focus on agile transformation. It is also a good complement to their recent paper “How to Create an Agile Organisation.”



Articles of the Month

The Best Insights of the past 12 months

NOVEMBER 2018 / DECEMBER 2018

“Working Capital Report 2018/19: Navigating Uncertainty” – PwC

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

It is not common for this reviewer to be so effusive, but this is what would be called a CEO article. It captures and communicates the importance and advantages of good cash management and culture, and gives executives an ability to benchmark themselves. Cash management is normally a focus for restructurors, but this article shows the benefits of this approach for non-distressed operations. It is recommended as a must-read insight.

OCTOBER 2018

“Introverts, Not Loud Extroverts, Make the Best Leaders in Business” – Oliver Wyman

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

Introverts stand on many shoulders in the corporate world, especially the C-Suite and functional managers – they are succeeding to lead people and manage the workplace, contrary to the common beliefs that leaders must be extroverts and highly sociable with the ability to demonstrate charismatic attributes in their leadership style.

This paper argues why shouldn't “Introverts” be strong? And what else can introverts do that we don't give them credit for?

Being an introvert influences the choice of relationships, communicating with people, the way to address issues, resolve conflicts, make decisions, and formulate strategies and execute them.

Introverts are drawn to the inner world of thought and feeling, focusing on the meaning they make of the events swirling around them. Introverts feel “just right” with less stimulation. In the workplace, introverts often work more slowly and deliberately. They like to focus on one task at a time and can have mighty powers of concentration. They are relatively immune to the lures of fame, recognition, and self promotion. Once we realize the power of being an introvert, we can contemplate their strengths in building deep relationships, developing meaningful strategies, and executing with excellence.

Figures like Eleanor Roosevelt, Al Gore, Warren Buffett, Gandhi, and Steve Jobs achieved what they did not in spite of, but because of, their introversion.



Articles of the Month

The Best Insights of the past 12 months

SEPTEMBER 2018

“Hidden Costs of Data Breaches Increase Expenses for Businesses” – IBM

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

For the past 13 years, the Ponemon Institute has produced this outstanding annual review of costs associated with data breaches of less than 100,000 records. The costs have steadily risen to an average of \$3.86 million per breach in 2018. This report will help organizations looking for benchmarks for the costs of data breaches, including hidden costs, likelihood, how long it takes to identify and contain a breach, and the impacts of security automation and the use of Internet of Things. It also explores the factors of cost and offers a range of key findings. For the first time, it includes the cost of the “mega breach”. This report has become a respected industry standard and it will be useful for CISOs, CIOs, business executives, and boards interested in understanding this complex issue.

AUGUST 2018

“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.



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 groundbreaking 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.



The Insights Review – 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.

CHIEF REVIEWER

David Moloney 
ICG Global Practice Leader
Financial Services


EDITOR


Andrew Wilson 


INSIGHT REVIEWERS


The Insights Review draws its insight reviewers from over 1000 of the most senior professional consultants around the world.


Key contributors this month include:


Alain Meloche 
ICG Subject Matter Expert


Barry Johnston 
ICG Practice Leader Wealth Management
& Superannuation

Christophe Amoussou 
ICG Practice Leader IT & Transformation

Egbert Schaefer 
ICG Practice Leader Risk
& Compliance Management


Greg Barnier 
ICG Practice Leader Organization Culture
& Workforce Capability


Julian Cappe 
ICG Practice Leader Retail & Business Banking

John LaVacca 
ICG Global Practice Leader
Operations & Transformation

Karen Ryan 
ICG Practice Leader IT Strategy


Lisa Hickson 
ICG Subject Matter Expert

Michael Roch 
ICG Global Practice Leader

Mike Trovato 
ICG Practice Leader Cyber Security & Privacy

Peter Dale 
ICG Subject Matter Expert

Richard Dale 
ICG Subject Matter Expert

Stephen Hewett 
ICG Global Thought Leader
Customer Experience

Wade Azmy 
ICG Global Practice Leader



ICG Service Promise

We hope you have found ICG's *The Insights Review* valuable. If any aspect of this publication could be improved, please contact:

FEEDBACK@INTERNALCONSULTING.COM >

For Further Information

This review is one of many value-added services to help executives, internal project teams and internal consultants improve their effectiveness. For a full range of services, visit:

[ICG WEBSITE](#) >

DISCLAIMER

ICG has made and will make good faith efforts to ensure that *The Insights Review* is a high quality publication, and a reasonable interpretation of the material it purports to review. However ICG does not warrant completeness or accuracy, and does not warrant that the Subscriber's use of the Report through ICG's provisioning service will be uninterrupted or error-free, or that the results obtained will be useful or will satisfy the user's requirements.

ICG does not endorse the reputations or opinions of any third party source represented in the review.

COPYRIGHT NOTICE

While third party materials have been referenced and analyzed in this report, the content of this report represents the original work of ICG's personnel. *The Insights Review* is subject to copyright. ICG is the legal copyright holder. No person may reproduce the review without the explicit written permission of ICG. Use of the copyright material in any other form, and in any medium whatsoever, requires the prior agreement in writing of the copyright holder.

The Subscriber is allowed "fair use" of the copyright material for non-commercial, educational, instructional, and scientific purposes by authorized users.

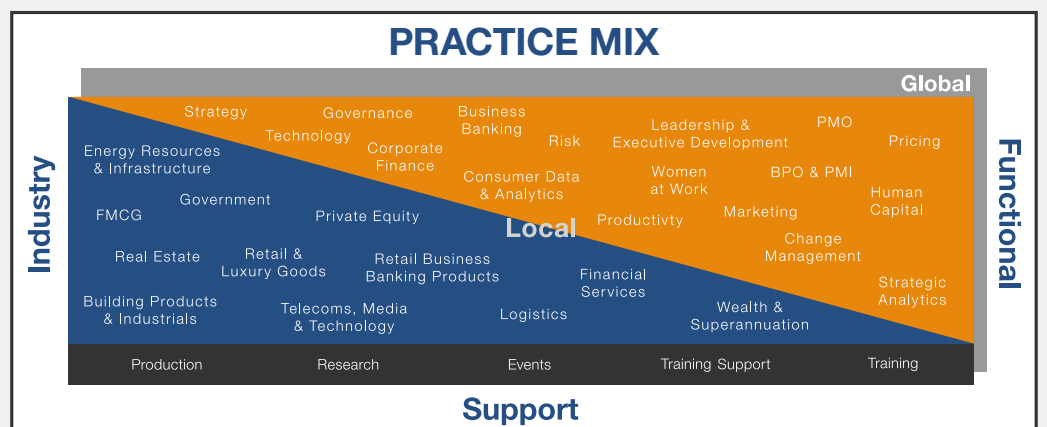


ICG significantly increases business impact by combining accredited professionals, world class publications, proven methods, professional learning and curated services into one easy-to-navigate platform for your next project or initiative

PROFESSIONAL SERVICES DISRUPTED!

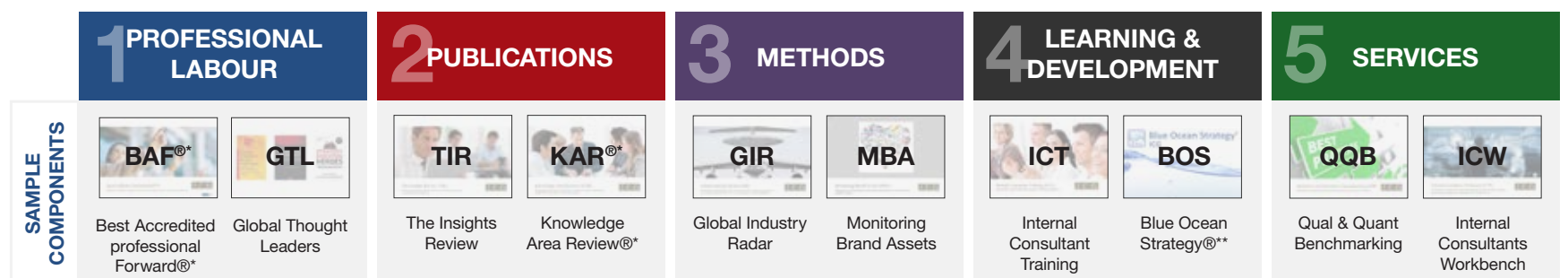
The world's fastest growing consulting firm has no employees...

... and offers global reach, industry and practice diversity, and the competencies you need to meet your business challenges.



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



*BAF & KAR are registered trademarks of Industrialised Adhocracy Pty Ltd. **Blue Ocean Strategy is a registered trademark of Professors Chan Kim and Renee Mauborgne

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



THE ICG PLATFORM BY THE NUMBERS

- Over 40 Global Cities
- Over 30 Specialist Practices
- Over 500 Successful Projects
- Over 2000 Professionals in our Global Network
- Hundreds of Non-labour Platform Components: Publications, Methods and Learning & Development Modules
- ... and growing daily



Consulting, Unbundled: Agile, Customised Experts

Contact Your Accredited Professional via www.internalconsulting.com



Mission & Vision Statement

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

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

Confidentiality & Intellectual Property

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

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

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

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

Further Information or Enquiries:

Internal Consulting Group Pty Ltd

Email enquiries@internalconsulting.com or visit our website at www.internalconsulting.com

VIEW ICG WEBSITE >



THE INSIGHTS REVIEW

[VISIT ICG WEBSITE >](#)

[VIEW PAST REVIEWS >](#)

© Internal Consulting Group Pty Ltd 2019