



THE INSIGHTS REVIEW



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IN THIS ISSUE

STRATEGY & TRANSFORMATION
HUMAN CAPITAL
RISK & COMPLIANCE
IN-HOUSE LEGAL
MARKETING & CUSTOMER EXPERIENCE
TECHNOLOGY
OPERATIONS & CHANGE

INNOVATION & DISRUPTION
PAYMENTS
CYBER SECURITY
MACRO FINANCIAL SERVICES
RETAIL & BUSINESS BANKING
FINTECH

CORPORATE & INVESTMENT BANKING /
INSTITUTIONAL MARKETS
WEALTH & ADVICE AND INVESTMENTS AND
FUND MANAGEMENT
GENERAL INSURANCE
LIFE INSURANCE

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

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

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

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Insight Sources

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

- 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,

Welcome to the February 2018 issue of *The Insights Review (TIR)*.

We are delighted to report that our circulation is now approaching 100,000 professionals and executives around the globe – people who, like you, are saving time and getting to the insights that count for their careers faster. This month offers a little something for everyone, but if one topic stands out, it is a topic very close to our hearts at ICG: client outcomes. Both McKinsey and Oliver Wyman address the topic from very different vantage points and use different terms: ‘Customer Success’ and ‘Customer Value’.

This month, we also introduce two of our reviewers: Egbert Schaefer (Risk & Finance) and Mike Trovato (Cyber Security). Feel free to drop them a line and say hello.

We couldn’t pick between two critical insights on diversity, so we are awarding two ‘Article of the Month’ awards. Congratulations to the authors of the following:

[Delivering Through Diversity – McKinsey](#)

[How Diverse Leadership Teams Boost Innovation – BCG](#)

Don’t forget to forward your copy of the *TIR* to friends and colleagues, and remember we also develop custom and co-branded versions for our clients and partners around the globe. In addition, our research team will also help you quickly find all the relevant articles for your next project – just contact your local ICG HUB.

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
Human Capital	07
Risk & Compliance	09
In-House Legal	10
Marketing & Customer Experience	11
Technology	12
Operations & Change	14
Innovation & Disruption	15
Payments	16
Cyber Security	17

Industry-Specific Topics

Macro Financial Services	20
Retail & Business Banking	22
Fintech	23
Corporate & Investment Banking / Institutional Markets	24
Wealth & Advice and Investments and Fund Management	25
General Insurance	26
Life Insurance	27

Special Feature | Contributors | About ICG

The Best Insights from the Past 12 Months	28
<i>The Insights Review Team</i>	35
An Introduction to Internal Consulting Group	37



Cross-Industry Functional Topics

In this Section:

[Strategy & Transformation](#) | [Human Capital](#) | [Risk & Compliance](#)
[In-House Legal](#) | [Marketing & Customer Experience](#) | [Technology](#)
[Operations & Change](#) | [Innovation & Disruption](#) | [Payments](#) | [Cyber Security](#)



Cross-Industry Functional Topics

Strategy & Transformation

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

“Why Digital Strategies Fail” – McKinsey

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

An urgent digital transformation wake up call from the most senior digital proselytizers at McKinsey.

The insight includes some new ideas, such as the ‘digital power curve’ – an economic model that demonstrates the winner-take-all dynamic displayed by the unicorns of the digital era.

We have never been a fan of ‘the end is nigh insights’, but this one, which reads a little rushed to market, has enough ups to justify a read, so the skimpy analysis, one-sided arguments, and aphorisms are mostly forgiven.

We hate to say it, but there is a very useful very 20th century two by two exhibit (there is only one, so it is not numbered) which segments the various response strategies by pace of change for the industry and degree of change for the company. Well worth a look by internal consultants and executives alike. **lr**



Cross-Industry Functional Topics

Human Capital

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

ARTICLE OF THE MONTH

“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.

“Organizing for the Age of Urgency” – McKinsey

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

This article is more of a qualitative piece, yet one nonetheless valuable. The authors argue that strategy must be flexible and that the culture of “speed” needs to infuse everything – from identity and agility to capability building.

The first concept is not new. Choosing where you compete, and going after your own unique competing space, has been in the stable for strategy officers for more than a decade. However, by providing a simple framework and plenty of examples around it, the authors of this article illustrate nicely how to make a reactive, continuously adaptive strategy work.

It’s a good article which should be read by CEOs, CHROs, CTOs, and all those interested in organizational innovation.



Cross-Industry Functional Topics

Human Capital

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

ARTICLE OF THE MONTH

“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?

lr



Cross-Industry Functional Topics

Risk & Compliance

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

“Asia Pacific: General Tax Update for Financial Institutions” – KPMG

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

In 2017, various APAC countries introduced substantial changes to their tax laws. KPMG’s article summarizes these changes for each jurisdiction and outlines some of the challenges/concerns arising. Countries covered include Australia, New Zealand, Singapore, Hong Kong, and China.

The article is not only a recommended read for all tax experts who would like to gain an overview of released changes, but also for all readers who would like to gain an overview of new regulations and their impacts in the different countries. 

Feature Reviewer



Egbert Schaefer

ICG Practice Leader Risk & Compliance Management

Egbert heads the Risk & Compliance Practice at ICG, and consults on business transformations triggered by identified risks or regulatory requirements in the financial industry.

Egbert’s advisory work includes Business Transformations with multi-jurisdictional impact, Operational Risk Management, Outsourcing & Offshoring and Remediation of Regulatory Findings.

Drawing on his experience as a senior transformation professional during and after the financial crisis in Europe, Egbert provides in-depth expertise, pragmatic insights, and fit-for-purpose approaches in order to transform businesses sustainably.

Egbert is based in Sydney but works globally.

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Cross-Industry Functional Topics

In-House Legal

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

“Creating Innovative Legal Teams: Are You Ready to Launch?” – ACC

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

This engaging article is worth reading for any GCs, and the C-suite in general, looking to make a cultural change to enable in-house legal teams to innovate and create cost and output efficiencies.

The article covers the oft-trodden ground of General Counsel needing to be strategically aligned with their business, and focusing on high value work while engaging LSP's or in-house technology solutions to undertake lower value work to drive out cost. However, it also makes the important point that, in order to do this, “in-house legal departments need to relax their personal attention... developing a keen appreciation of the company’s appetite for risk”. Food for thought for lawyers who, by definition, tend to be perfectionists. **lr**



Cross-Industry Functional Topics

Marketing & Customer Experience


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

“Introducing Customer Success 2.0: The New Growth Engine” – McKinsey

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

This article discusses the evolution of customer success functions for SaaS and tech businesses – from teams that were typically tasked with preventing churn by ‘fixing’ poorly delivering implementations, to a strategic and upstream function that understands customer needs, identifies value (and revenue), adds opportunities, and drives growth.

The authors suggest that Customer Success 2.0 comprises five elements, which they explain in some detail: unified go to market, sustainable funding model, customer success talent engine, advanced analytics, and embedded customer success philosophy.

This is a good framework and is worth reading – as are the attached longer form and linked articles. 

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


Technology

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

“Build or Buy Dilemma in AI” – BCG

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

In this paper, BCG debates the need and risk, as corporates, to partner with AI vendors. Between access to AI skills versus access to proprietary data, the collaboration is a must between the talent owners and data owners. But each situation requires careful analysis to determine the type of partnership necessary.

If it is true that an image is worth a thousand words, then we should applaud BCG for making excellent use of their famous quadrant. One good look at the (only) exhibit and you get the gist of this very interesting article. Easy to read and perfect to bookmark on its e-notebook for any executives – and not only in IT, as AI is bound to impact all departments. 

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Cross-Industry Functional Topics

Operations & Change

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

“Retraining & Reskilling Workers in the Age of Automation” – McKinsey

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

This article does a good job of framing the issue for senior executives, including providing some interesting insights into peer attitudes towards the urgency and ownership for this challenge. There are no real insights on solutions or pacing, though there is a “stay tuned” notice. Internal consultants will be asked to work with HR in sizing the issue and developing action plans. The article correctly points to the need for a digital plan and road map, to both understand the issue for the enterprise, and to provide guidance to the workforce for self-directed learning as a headstart in retaining their career prospects. **lr**




Cross-Industry Functional Topics

Innovation & Disruption

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

“Innovators Go all in on Digital” – BCG

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

A thoughtful report in four parts: an introduction that analyses BCG’s 2018 top 50 innovators survey, followed by chapters on the implications of identified trends and success patterns for strategy, operations, and organisation. Like most BCG publications, this one is data-rich and analytically rigorous. Of course it’s still a sales pitch, but it is nevertheless worth reading. The first chapter analyses BCG’s most recent survey data and reveals continuation of a trend identified earlier: that leading innovators are not just focused on innovating the products and platforms that have traditionally defined their industry and basis for competition, they also give priority to their ability and speed to adopt and use new digital technologies – such as big data analytics and mobile – to design new products and platforms, even if traditionally these weren’t digital. The next three chapters provide BCG’s opinions on how to do this by using digital possibilities in strategy, and using or enabling digital capabilities in operations, and finally in organisation. It is probably in organisation where non-digital natives face their greatest challenges – they risk being out-innovated by competitors, both traditional and new, who have people and culture that enable rapid adoption and use of digital technologies. 



Cross-Industry Functional Topics

Payments

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

“Merchant Payments Digest - 9th Edition” – Oliver Wyman

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

A good collection of changes in payments over the last quarter of calendar 2017. A highlight is General Motors’ launch of Marketplace, a commerce platform which allows merchants to build apps for GM’s car-driver interface. Of note, a number of merchants have already signed up (Starbucks, Dunkin’ Donuts, ExxonMobil, etc.) to allow ordering and paying for services. Regulation (including Amex doing away with signatures), biometrics consumer sentiment, and the expiry of Amazon’s one-click patent are also discussed. **lr**




Cross-Industry Functional Topics

Cyber Security

Reviews by: Mike Trovato | ICG Practice Leader Cyber Security | [Contact](#)

“Taming Cyber” – Oliver Wyman

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

For executives and boards, this paper may offer a way to think about quantifying risks posed by cyber security. Although the process is well outlined, it would be difficult to execute on. Some industries have attempted to quantify risk, most notably banks via the Basel Committee on Operational risk, yet most organisations continue to struggle with quantification of operational risk due to poor data. The old adage “past performance is not a predictor of future performance” is especially true because of the lack of good data for any particular scenario, and because cyber security risks are fast-moving and deeply technical. Most sophisticated organisations today have risk frameworks that essentially drive a discussion around a scenario analysis, and other organisations should – even if their frameworks aren’t driven via a structure scenario process. Connecting business and cyber risk is the key message – and if you can’t do that, you need to do some work. 

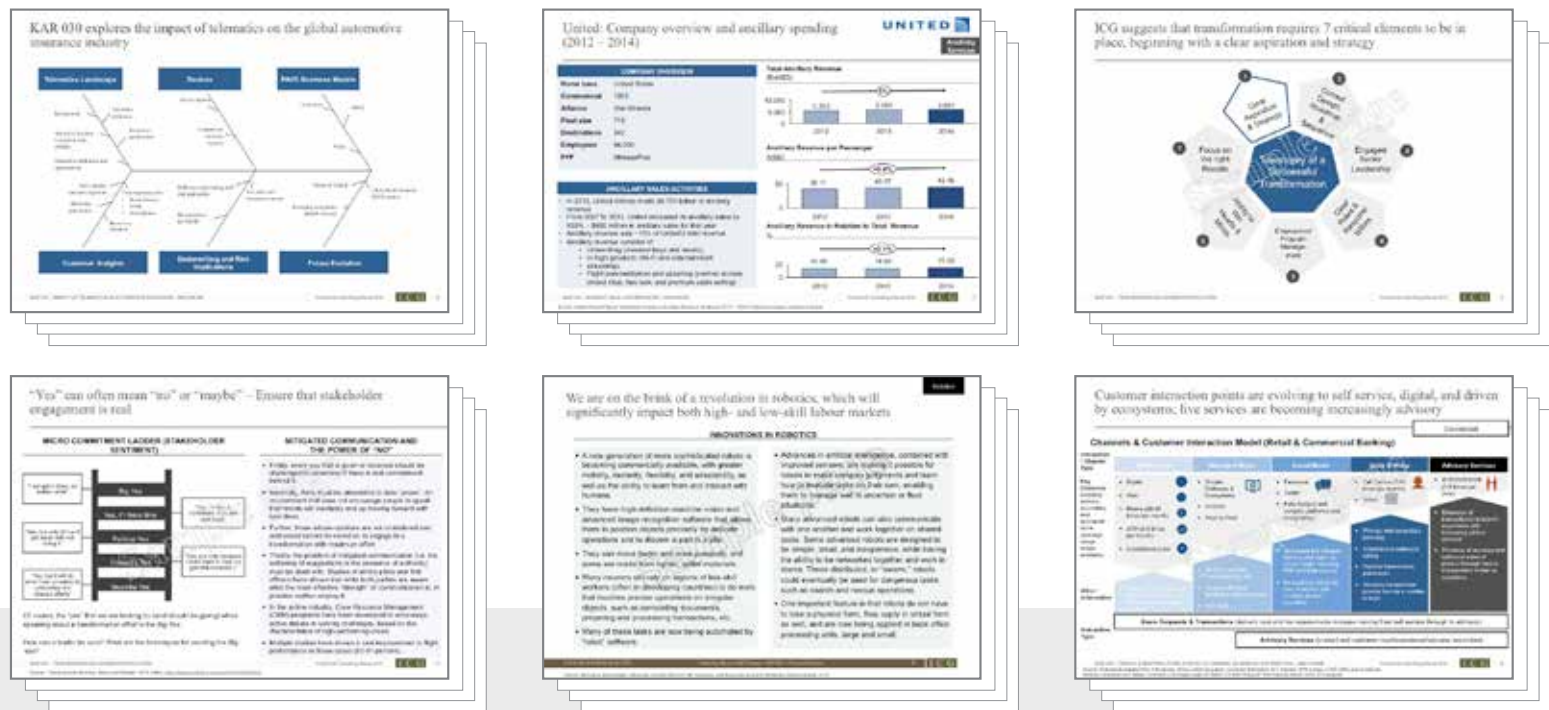
Engage Your Peers (EYP)



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

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KNOWLEDGE AREA REVIEWS (KARs)



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A New Kind of White Paper

- A peerless synthesis of publicly available information
- Information-rich slides with 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](#)
[Fintech](#) | [Corporate & Investment Banking / Institutional Markets](#)
[Wealth & Advice and Investments and Fund Management](#)
[General Insurance](#) | [Life Insurance](#)



Industry-Specific Topics

Macro Financial Services

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

“The Customer Value Gap: Re-calculating Route” – Oliver Wyman

[VIEW PDF \(41 PAGES\)](#)

OW's annual Davos report. This one is on-trend – like the article reviewed by Lisa Hickson (in our Marketing & Customer Experience section), it covers the field of customer outcomes, customer success, and customer value. OW uses some snazzy, but generally confusing, graphics to introduce some useful new tools around customer value and old vs new FS value, but their pivotal framework of a life map looks like a bumpy line. In addition, their finish around change management seems at odds with the rest of the report – almost a generic call-to-action. If you are running a customer journey report, you will like some of the new tools. If you are exploring the concept for your institution, this will be useful and additive reading; however, Lisa's review of McKinsey's work (ref above), and the extensive and pioneering work ICG has done in this field, will be of more use to you. **lr**



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Industry-Specific Topics

Retail & Business Banking

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

“Digitally-enabled Credit Collections” – Oliver Wyman

[VIEW PDF \(14 PAGES\)](#)

A strong article which articulates how digital capabilities can be deployed by retail banks to significantly enhance their credit management and collections activities. While economic conditions are currently benign, the authors remind us that bankers need to be investing in capability now in order to be prepared for the next downturn. Several opportunities are outlined, including adopting of omni-channel contact strategies, and enhancement of portfolio monitoring and collections functions using big data advanced analytics techniques. **lr**

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

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

[VIEW KAR 011 >](#)



Industry-Specific Topics

Fintech

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

“Forging the Future: Embracing Fintech to Evolve & Grow” – KPMG

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

Written for large financial services incumbents, this report provides a contemporary summary of different ways Fintechs are being used in banking, insurance, and asset management, and the spectrum of ways to acquire fintech capabilities – from building it yourself, to investing in or acquiring fintech startups. Numerous examples, mostly from Australia, illustrate. It concludes with an advertisement for Matchi, a fintech matchmaking and open innovation platform KPMG has acquired, promoting it as a good way for incumbents to scan a field of fintech solutions, post challenges for fintech innovators to solve, and identify potential suppliers, partners, or targets. An informative summary that is worth reading. **lr**



Industry-Specific Topics

Corporate & Investment Banking / Institutional Markets

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

“To Earn Greater Loyalty, Investment Brokerages Should Think Digital” – Bain

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

A set of six slides with one page of notes – not up to Bain’s usual high standards for insight publication. Then again, nor is the insight – namely, that for firms to keep clients when a “good adviser” moves to another firm, they should make sure that their clients benefit from the firm’s propositions (digital services cited here) and not just the value intrinsic in the adviser relationship. **lr**



Industry-Specific Topics

Wealth & Advice and Investments and Fund Management

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

“Ten Ideas for Asset Management in 2018” – Oliver Wyman

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

Ten bullet points relaying the authors’ key predictions for the sector this year, and worth the 60 second reading time required. The three most provocative points are numbers 1, 2, and 6 (respectively):

- The potential for increasing regulatory tension between Trump and the Eurozone
- The recognition of value in illiquid alternatives
- The rise of the outsourced CIO, despite the risk of being seen (by clients) as abdicating one’s core capabilities.

Most readers are likely to find little new thinking in the remaining predictions. Ir



Industry-Specific Topics

General Insurance

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

“Creating an Analytical Environment” – KPMG

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

A short and sharp article which covers off the points well.

This reviewer agrees that this is a strategic matter, and more so when considering BlockChain technology coming down the track will potentially derail many incumbent insurers’ strategic rationale. Data, technology platforms, abilities to innovate, and the creation of a social ecosystems around these are strong defenders of incumbency and developers of revenue.

However, what the article misses is the fact that in any large organisation, if you want it to gain traction, the CEO has to champion it and get a fellow senior executive to be accountable for delivery. There is time to meet these new challenges, but the inflection point is potentially on the horizon in the next few years. **lr**

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.

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Industry-Specific Topics

Life Insurance

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

“How to Breathe New Life into Life Insurance” – Bain

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

A cheeky and mercifully short article from some partners at Bain. Cheeky for two reasons: firstly, because it is a thinly-veiled client case study; and secondly, because the prescription for the client is so generic (cut costs, reduce complexity, invest in a CRM, increase accountability, and set a challenging but achievable goal). The only value to internal consultants is some scant data on the first pages indicating declining revenues and ROE in the industry as a whole. One to skip. 

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

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’.

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.



Articles of the Month

The Best Insights of the past 12 months

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.

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.



Articles of the Month

The Best Insights of the past 12 months

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.

JULY 2017

“Technology Vision for Insurance 2017” – Accenture

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

Longish but very powerful must-read annual survey based review of how technology is reshaping insurance. It is brimming with cutting-edge case studies, thumbnail technology applications, and useful factoids. The last page of each section ends with startling predictions.

The authors cover five main trends:

1. **AI is the new UI** (which observes that AI is hitting the front office and substituting for humans, or augmenting them, to give even better advice).
2. **Partnership models are evolving to powerful ecosystem plays.** A great summary of much of the platform material we have seen before, but adds the idea that voice activated platforms will lead.
3. **Workforce marketplace.** Outlines the role of the various liquid labor platforms within the insurance industry, with bold predictions for labor changes.
4. **Design for humans.** Summaries the way the insurance proposition is being embedded into the customer journey and augmented with new technology.
5. **Invent new industries and set new standards.** Describes how industry boundaries are blurring through ecosystems and how principal agent economics are being transformed with blockchain-like technologies supporting performance-based contracts.

Definitely worth a read for all internal consultants and all executives (insurance and other sectors), and a worthy winner of our ‘Article of the Month’ award.



Articles of the Month

The Best Insights of the past 12 months

JUNE 2017

“The Business Logic in Debiasing” – McKinsey

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

Have you ever wondered where overconfidence exhibited in financial markets comes from (e.g., from personal traits or from experience)? And is it selected by, or limited by, organizational design? Or, can psychological theories of strategic naiveté (which were developed to fit controlled laboratory experiments based on game theory), also help explain naiveté in financial decisions?

This excellent article aims to provide you with insights into biases that effect decision-making, both at a personal level as well as at a system level. It also shows you some ways to de-bias your decision-making.

It's a great read for board members and Executive leadership across many industries, and especially financial institutions.

APRIL - MAY 2017

“What Deep-Tech Startups Want from Corporate Partners” – BCG

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

“Deep-tech start-ups” are built around unique, differentiated technologies that are hard to reproduce. They are different from start-ups that are merely technology-enabled. This distinction matters because their business and revenue models tend to be complicated, and investors thus evaluate them differently. BCG surveyed more than 400 deep-tech start-ups to understand their needs of preferred partners, such as venture capitalists, corporate VC funds, incubators and the like.

The article does a superb job explaining what it takes for an ecosystem of incubator, university, corporate support, VCs and the public sector to meet a deep-tech start-up's thirst for funding, market access, technical and business knowledge, facilities access and – importantly – talent (see Accenture's excellent study on the modern work force elsewhere in this edition of *TIR*).

BCG's article is a particularly excellent read for the C-suite and platform executives of large corporates who seek to accelerate their innovation by collaborating with start-ups.



Articles of the Month

The Best Insights of the past 12 months

MARCH 2017

The New Battleground for Marketing-led Growth – McKinsey

[VIEW PDF \(14 PAGES\)](#)

An impressive article from McKinsey. It re-presents the consumer decision journey, a systems dynamics approach to customer purchase behavior backed up by an increasing body of evidence which drives internal consultants to help their organization focus on what matters. Loyalty programs are expensive and less important as loyalty amongst customers falls. Instead, organizations should focus on ensuring they are within the initial consideration set and create a centre of gravity through ongoing product, service, and brand news.

This insight is a worthy winner of our 'Article of the Month'.

JANUARY - FEBRUARY 2017

“Top 10 Trends in Wealth Management 2017” – Capgemini

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

A well-structured follow-up to last year's excellent report providing a brief snapshot of the major trends impacting wealth firms globally. The trends this year are significantly different to last year's list. Some may turn out to be well ahead of the game, e.g. AI-based analytics is a bridge too far for most wealth firms. Others making the list this year have been around for many years, e.g. inter-generational wealth transfer, and the pressure to shift from asset-based fees. One trend not discussed is the emerging challenge of data ethics, in particular the amount of external data to capture on clients and how to use it in ways that clients deem acceptable. Profit-for-member pension funds are just beginning to realize this is an area where they can sustain significant competitive advantage over their profit-for-shareholder competitors. Overall, the article is a good summary of the challenges facing the industry globally, without going into detail about potential solutions. Useful reading for industry executives and internal consultants.



Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2016

“Digital Transformation in Financial Services” – Deloitte

VIEW PDF (28 PAGES)

A worthy winner of our ‘*Article of the Month*’, this is an excellent ‘Act Now!’ insight. In order for FSI firms to survive and thrive, (digital) evolution is inevitable and DNA mutation is part and parcel of that evolution. This is the essence of Deloitte’s argument. It addresses all the typical types of mutation (albeit in business language) viz, substitution, insertion, deletion and frame shift. Preparing your organization, culturally, skills, and capabilities-wise, for such mutation is at least as critical as strategizing to evolve.

The article provides very good content to understand which evolutionary branch type your firm fits and also outlines a robust approach to rewiring your firm’s DNA. A must-read for senior management, particularly those who have been appointed as Head of Digital Innovation. Make your read even more interesting by following the case studies in the article in more detail. Also, learn about customer-centricity (one of the key attributes of the Digital DNA) from ICG’s own Global Thought Leader – Stephen Hewett. (stephen.hewett@internalconsulting.com).

NOVEMBER 2016

“Insurers Need to Plug into the Internet of Things – or Risk Falling Behind” – McKinsey

VIEW PDF (10 PAGES)

A well-written 10-pager which recognizes that this theme dates back to 1999, and there are already more things connected to the internet than people. Some staggering data shared!

The article considers four product segments – car, home, health, and commercial – and covers some familiar territory. The emergence of coopetition is well set-out, as are the needs for clear visioning by boards and executives to ensure traction. Whether companies consider they can innovate forward or embrace real disruptive change head-on is the key question being posed again.


Given the powerful introduction and scene-setting, this article is a must read for senior executives. Some themes are not new, but the overall journey steps and the five fundamental assets in the McKinsey “Global IoT in Insurance” framework are very well set out. A worthy winner of our ‘*Article of the Month*’ award.



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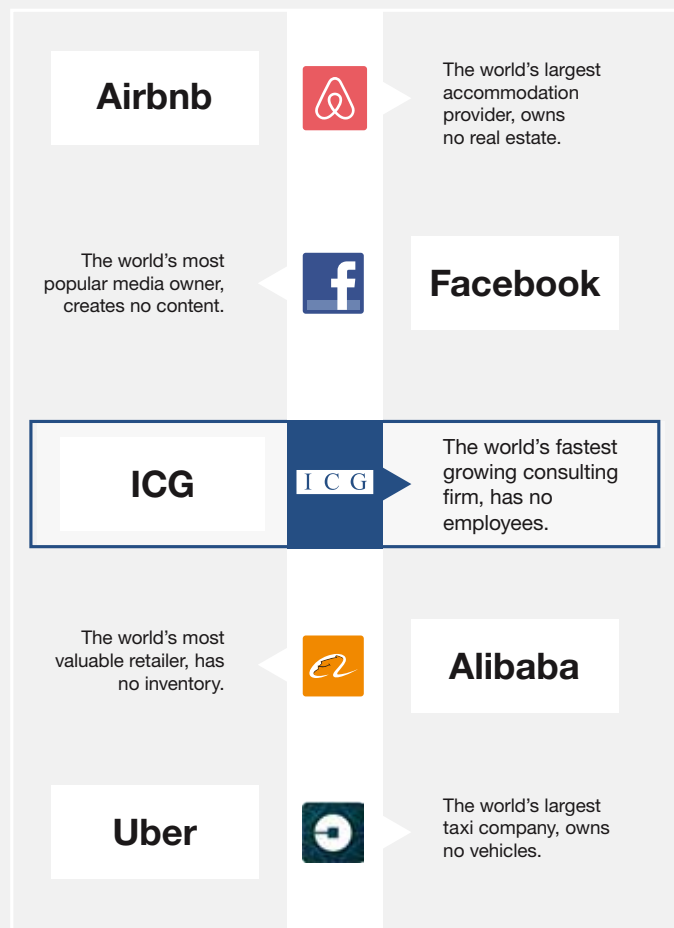


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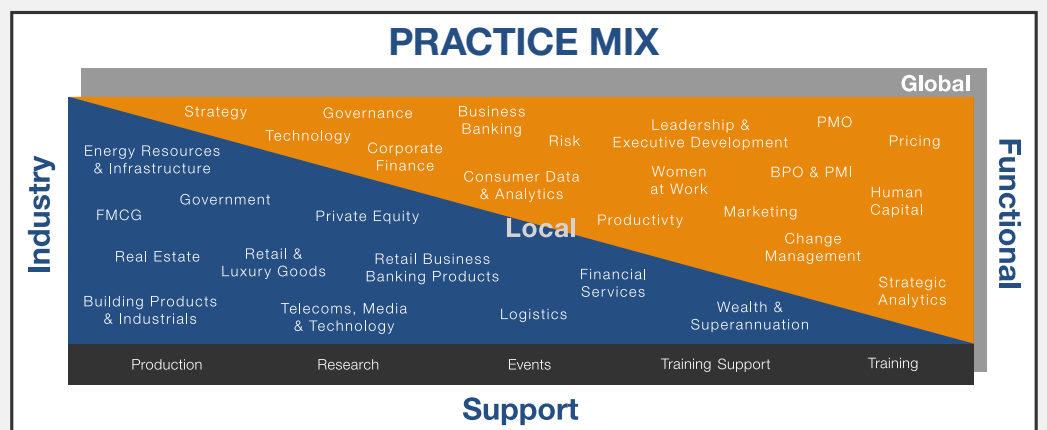
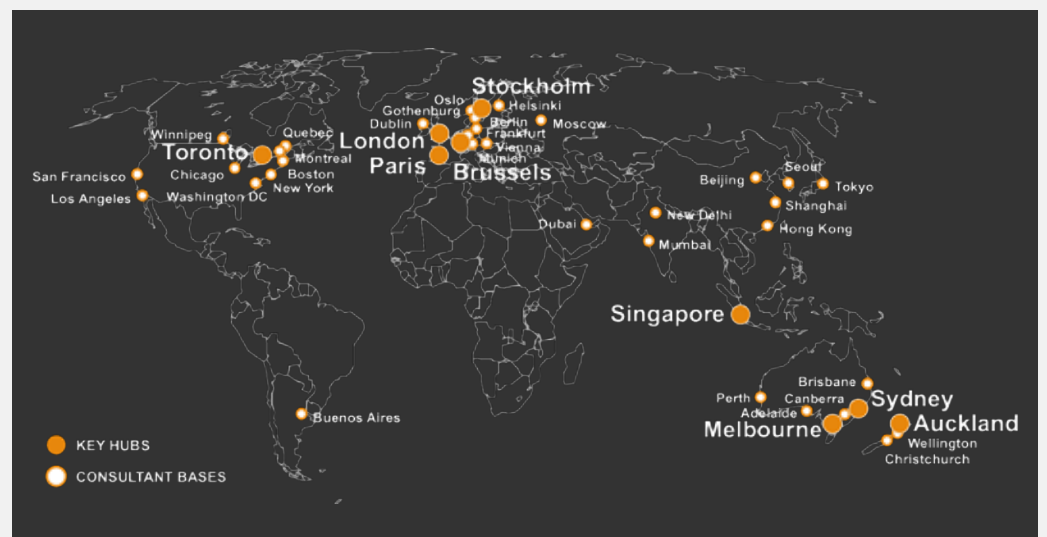
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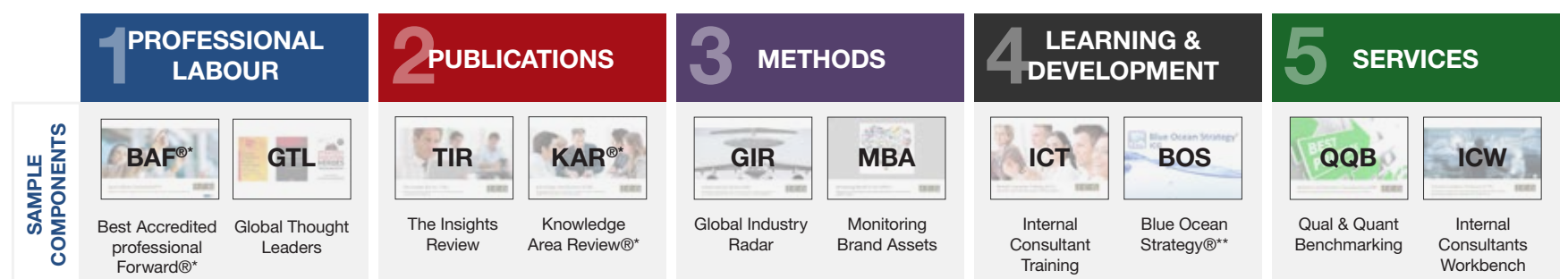
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