



THE INSIGHTS REVIEW

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ARTICLE OF THE MONTH: *“How Can Your Growth Strategy Evolve Faster than the Market?”* – EY

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.

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If you find an insight review of interest and wish to access the full report, simply follow the link beneath the title. Where possible, this will take you to the full report. Occasionally, the publisher may require the user to complete a registration or payment process prior to accessing the report.

Links are current at time of publication.

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ICG 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&



Message From the Editor,

A warm welcome back to our readers around the globe. It has been a busy time at ICG with several new business verticals and a new website launched.

If you haven't seen our new site, please visit: internalconsulting.com
As well as refreshing our client and consultant experience, this website integrates all verticals in the ICG Group:

[ICG Careers:](#) A differentiating approach to Career Transition Management from a super experienced team

[ICG Leadership:](#) A one stop shop for all of your leadership coaching and support

[ICG:](#) The global leader in unbundled general management consulting services

This bumper edition responds to the Southern Hemisphere holidays, so concatenates the often slower months of November, December, and January into a single issue.

Our theme this month is Direction Setting. As businesses recover from holiday slumps, and natural and man-made catastrophes, at ICG we look to strong leadership and refreshed or revitalized strategy. This is often a busy time for our strategy professionals around the world as they lead or facilitate workshops and strategy sessions for our C-suite clients and their boards. If you need inspiration, please review some of the excellent articles in the strategy and transformation section, and if you need help, please reach out to our C-suite team at any of our HUBs around the world.

Each member of the TIR team reviews hundreds of articles a year, so it is always a refreshing surprise when we come across new content rather than rehashed ideas dressed up as new. One such article from EY contributes fresh thinking to corporate portfolio reviews, and is a worthy winner of our first Article of the Month for 2020.

"How Can Your Growth Strategy Evolve Faster than the Market?" - EY

A helpful and novel insight from EY which appears to expose the IP they have acquired through a boutique acquisition.

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.



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INSIGHTS
REVIEW**

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Cross-Industry Functional Topics

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Strategy & Transformation | Ecosystems, M&A and Integration
Leadership & Executive Development | Human Capital
Operations & Transformation | Innovation & Disruption
Payments & Open Banking | Cyber Security & Privacy | Career Transition

“Building New Businesses: How Incumbents Use Their Advantages to Accelerate Growth” – McKinsey

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

High-level refresher on how to diversify into new businesses. There is little incremental insight for regular readers, so this is recommended for new internal consultants needing a general introduction. Readers needing to blueprint will find better insights elsewhere, especially the insights we have reviewed from Bain. **DM**

ARTICLE OF THE MONTH

“How Can Your Growth Strategy Evolve Faster than the Market?” – EY

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

A helpful and novel insight from EY which appears to expose the IP they have acquired through a boutique acquisition.

The insight starts with a general introduction regarding how to define a strategic context and rightly emphasizes that innovation and technology can make traditional approaches obsolete. (Side note: ICG solves this issue by helping clients to build a strategic disruption radar capability that continually monitors and updates the most likely strategic consequences of new entrants, and innovations. This reviewer also personally recommends a summary analysis he calls “Who is winning and why? And, who is losing, and why?” as the best way to illuminate strategic choices that are working or not).

The rest of the insight focuses on a new industry portfolio tool which uses Relative Market Share (rather than absolute) and absolute return on sales. This approach nicely demonstrates the margin benefits that accrue from scale which will work well for commoditized industries; those industries with players targeting high margin segments will need other tools.

A helpful contribution and well worth a read by all our readers. **DM**



Cross-Industry Functional Topics

Strategy & Transformation

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

“In Times of Uncertainty, Play Safe or Double Down?” – EY

[VIEW PDF \(13 PAGES\)](#)

Overly journalistic article with case studies you probably know and some heady quotes from EY’s top brass. One to skip this month, unless you want a paper that reminds you to do everything. **DM**

“Why it’s Time for Banks to Rethink their Business Models” – EY

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

Short synthesis of dialogues between senior banking leaders facilitated by Tapestry Networks – mostly digitization messages you have heard before, and lots of motherhood and generalisms.

Worth a quick scan for those charged with digitization. **DM**



Cross-Industry Functional Topics

Strategy & Transformation

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

“Why isn’t your Transformation Showing Up in the Bottom Line?” – Mckinsey

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

A neat little insight which helps CFOs and their teams to understand how they can better reduce leakage and ensure value capture during transformation programs. The insight uses a simple four-driver framework based on: Initiative under delivery; poor performance elsewhere due to distraction costs or other; exogenous headwinds; and reinvestment into the wrong initiatives.

Each is explored briefly before some useful thoughts on rebaselining the aspiration and creating integrated planning, budgeting, and reporting around the transformation. **DM lr**



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](#)

“Corporate M&A Report 2020” – Bain

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

For most readers of this review, you’ll want to read the web cover for a concise and pithy update on the global M&A market.

For those responsible for M&A in your company, it’s worth reading the PDF despite it not being quite as pithy. In its extensive report, Bain covers a detailed update of the current deal market: acquirers are after capabilities and faster revenue growth than their own (OK, not that surprising).

The golden nugget for the reader is in section 4, where Bain shares sound insights about building a toolkit for portfolio investments and divestitures.

It’s a well done piece and worth a read. **MR**

“How the Best Companies Create Value from their Ecosystems” – McKinsey

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

This excellent thought piece is one of the best reads on ecosystem strategy for the financial services sector of recent months. Drawing parallels to retail and other sectors when necessary, McKinsey does a great job breaking down ecosystems into their strategic archetypes, explaining how they create value and illustrating these with success stories.

The only thing this reviewer could have wished for is a more in-depth treatment of partner management. The surprisingly staid advice of identifying the right partners, finding a win-win solution and commercializing data management will strike those with ecosystem management as superficial; how about deploying alliance/ecosystem management best practices (such as those by the Association of Strategic Alliance Professionals) and using alliance technology to manage it all?

Yet, this niggles does not distract from this reviewer’s conclusion: if you’re in financial services or are interested in ecosystems, it’s a must-read. **MR** The McKinsey logo is a small, stylized 'M' inside a square.



Cross-Industry Functional Topics

Leadership & Executive Development

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

“Answering Society’s Call: A New Leadership Imperative” – McKinsey

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

This article provides an early taste of an emerging new leadership benchmark that revolves around transparency, empathy, and meaning, in response to environmental and social challenges.

A 2019 McKinsey report, addressing consumer behaviors in search of goods and services, highlighted how consumers are not looking only for the traditional quality and price as drivers for buying decisions. Instead, consumers dig deeper into the companies beyond the product to assure themselves that their social aspiration is fulfilled. The report reveals that transparency came as a rapid response to increased consumer scrutiny, with examples of leading companies listing where their products are made, the amount of carbon dioxide generated during production, traceability of products, and the company impact on society and the environment.

In a McKinsey survey focused on social entrepreneurship, the results show that purpose-driven empathy is crucial for transformation: that is, empathy in action and daily activities that focus on social purpose, through trial and error process, experiential learning, and open network sharing.

The article also highlights how a healthcare organization and a financial institution that follow a mission-based philosophy and have values oriented towards society-centered actions, led to financial results and delivered meaning for employees and their communities. **WA**



Cross-Industry Functional Topics

Human Capital

Review by: Greg Barnier | ICG Practice Leader Human Capital | [Contact](#)

“Decoding Global Trends in Upskilling & Reskilling” – BCG

[VIEW PDF \(19 PAGES\)](#)

This article reports key findings from a survey of 366,000 respondents in 197 countries on attitudes, willingness, and preferences for learning. As a result, it presents some very useful data/benchmarks when considering changes to the world of work and the learning attributes for those who believe their jobs will change significantly as a result. There are useful graphics and headlines for those seeking an overview.

The authors present a number of implications for companies, individuals, and governments together with proposed actions. CEOs CHROs, Learning & Development Professionals, Change Managers, and Workforce Planners will find this article of value. **GB**

“Future of HR 2020: Which Path Are You Taking?” – KPMG

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

This is truly a great read for CEOs, CHROs, and business leaders who are thinking about the value of the human resources function in their organization and how to leverage greater value.

The authors have identified the key challenges being dealt with by contemporary human resources functions. These challenges are described in detail and provoke the reader to think broadly about dealing with the future of work. If you are time poor, read the summary – it will entice you to read the whole article.

The authors then discuss how contemporary HR functions can break the cycle. What this reviewer found to be of great value is the analysis of what the top 10 percent of HR functions (“pathfinding HR”) are doing to prepare their workforces for the future.

Given our own passion for helping organizations to build value adding contemporary HR functions, this is one of the best articles we have reviewed for some time. A must read! **GB lr**



Cross-Industry Functional Topics

Operations & Transformation

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

“Why Zero-Based Budgeting – and Why Now” – BCG

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

This is a timely article from BCG for those interested in resetting their cost base and creating a proactive catalyst for transformational change. It is timely in calling out the benefits of reconfiguring costs before an economic downturn, given the evolving signs of a potential slowdown and the more recent impacts emerging from COVID-19 emergency.

BCG is an advocate for Zero-Based Budgeting (ZBB) and has been asserting the benefits for the past couple of years. They view ZBB as a far better tool to integrate with a business’s strategy, and reject blanket cost-cutting efforts. The article underscores ZBB as a focused tool to free up the capital to make strategic investments. It rightly rejects the all-too-common peanut butter (spread evenly) approach to cost reduction in favor of a more targeted approach.

The article introduces research from the BCG Henderson Institute showing the increased value of preemptive transformations to deliver significantly higher value results over the long term. Additionally, it claims that preemptive transformations can be executed faster and at lower cost. The research suggests that acting early delivers short- and long-term benefits, whereas a delayed response can only produce short-term (urgent) savings.

The article is well worth a read, particularly if acted upon to better position your or your client’s business to eliminate waste early so they can benefit during a downturn – and enjoy a performance premium when the recovery arrives. **JL**



Cross-Industry Functional Topics

Innovation & Disruption

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

“The Future is Open: 10 Key Industry Trends Around Technological Innovation that are Reshaping the Banking Experience” – KPMG

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

This anthology of 10 short and generally well-written articles is interesting because of its variety, covering topical issues in consumer banking like: digital banking models, open banking, threat from “super apps” (we reviewed this one in an earlier *TIR*), better/more convenient authentication of customers, life stage/event personalization, partnering in payment systems, and automated prediction in workflows.

It is certainly worth skimming through and reading those articles that interest you. **RD**

“Five Key Trends Illuminating AI’s Impact for Financial Services” – EY

[VIEW PDF \(17 PAGES\)](#)

A short paper in five parts that starts with three observations: machine learners are being applied more widely in financial services, supplied by a wider range of vendors, and the learners are becoming more sophisticated and complex, and therefore harder for humans to understand and manage.

The article goes on to discuss the impacts on employees (e.g. jobs, retraining, redundancies) and risk management (e.g. privacy, vendor selection, and safeguards in/around their “blackbox” learners).

The trends and risks described in this article are being worried about everywhere AI is used, not just financial services, so the article should be of general interest. **RD** **lr**



Cross-Industry Functional Topics

Payments & Open Banking

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

“Why the Potential End of Cash is About More Than Money” – EY

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

The short article itself provides a balanced view on the use of cash and how far away a fully digital global economy is, however the PDF attachment – which takes you to EY’s #payments newsletter – is well worth the read.

It captures recent M&A and venture capital activity, the growing adoption of Fintech services by SME businesses, and an in-depth look at Brazil. **RM**

“US Lending at Point of Sale: The Next Frontier of Growth” – McKinsey

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

Short article which is US-focused, providing some good analysis looking into how retailer point-of-sale share of purchases is growing quickly with an expected 2018-2021F CAGR of 20%.

The article also touches on how Afterpay, Klarna, and Sizzle are now successfully displacing what were traditionally credit card purchases. **RM** **lr**



Cross-Industry Functional Topics

Cyber Security & Privacy

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

“The Connected Defense: Elevating the Fight Against Financial Crime” – Deloitte

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

This quick, 12-page read offers an interdisciplinary forensic, risk, and cyber perspective on connecting defensive capabilities to fight financial crime, without getting technical and into the weeds.

The “Changing face of Financial Crime” on p4 provides a useful director’s tool for thinking about key categories of financial crime.

Subject matter executives or practitioners won’t get much from this except the “gestalt” of financial crime, but useful for connecting to business executives and directors. **MT** The MT logo is a small, stylized icon consisting of the letters "MT" in a bold, sans-serif font, with a small square to the right.



Cross-Industry Functional Topics

Career Transition

Review by: Mark Waterman | CEO of ICG Careers | [Contact](#)

“Expected Skills Needs for the Future of Work” – Deloitte

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

A European study of 15,000 workers that is just as relevant across the globe. It highlights the intensifying battle to retain, attract, and develop the skills needed for the digital revolution that is reshaping the future of work. A full 40% of European organizations say they are struggling to fill roles; key causes are lack of digital skills, shrinking workforce, and rising inequality.

The authors focus on the need for organizations to address this skills gap through the development of existing employees, through both re-skilling and up-skilling. The study shows the majority of workers have a positive attitude towards automation and feel they are prepared for the change. However, it highlights that lack of guidance in what to learn and the adoption of lifelong learning will hold back progress. Increasing preparedness for the digital revolution must be a key priority.

In ICG-speak, develop a ‘Career Transition as Usual’ culture to succeed in the future of work where ‘Transformation as Usual’ is the new norm. **MW**

“Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation” – McKinsey

[VIEW PDF \(160 PAGES\)](#)

This latest research on automation examines work that can be automated through 2030, and jobs that may be created in the same period. It provides likely workforce transitions that should be expected, and outlines their implications.

Even as it causes declines in some occupations, automation will change many more—60 percent of occupations have at least 30 percent of activities that could be automated. Scenarios across 46 countries suggest that up to one third of work activities could be displaced by 2030. Major transitions lie ahead that could match or even exceed the scale of historical shifts out of agriculture and manufacturing – up to 14 percent of the global workforce will need to switch occupational categories, and all workers will need to adapt as their occupations evolve alongside increasingly capable machines.

Some of that adaptation will require higher educational attainment, or spending more time on activities that require social and emotional skills, creativity, high-level cognitive capabilities, and other skills relatively hard to automate.

To achieve good outcomes, policy makers and business leaders will need to embrace automation’s benefits and, at the same time, address the employee transitions brought about by these technologies.

Mid-career job training will be essential, as will enhancing labor market dynamism and enabling worker redeployment. These changes will challenge current educational and workforce training models, as well as business approaches to skill-building. Another priority is rethinking and strengthening career transition support for employees, at all levels, who are caught in the crosscurrents of automation.

MW The McKinsey logo is a small, stylized 'M' inside a square.



Industry-Specific Topics

In this Section:

**Retail & Business Banking | Fintech | Corporate & Investment Banking
Wealth & Advice, Investment, and Fund Management | General Insurance**



Industry-Specific Topics

Retail & Business Banking

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

“As Retail Banks Leak Value, Here’s How They Can Stop It” – Bain

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

Bain’s in-depth global survey of retail banking customers highlights the enormous stakes as transactions increasingly shift towards digital channels. Worth a skim for those working across CEX and digital transformation.

The survey identifies linkages between a strong and reliable digital offering, client loyalty, and favorable economics. Notably, customers of loyalty leaders are likely to conduct a greater range of transactions across digital channels, in comparison to their peers.

It is also clear that fintech providers including neobanks and payment disruptors are attracting an increasing share of new clients, and a significantly high percentage of respondents, particularly in younger demographics, are open to adopting a technology company for some of their banking needs. This is a clear warning sign for incumbents, who have not kept pace with the industry-wide digital transition.

Finally, the survey also shows that consumers are open to using their primary bank for related services through an ecosystem of providers. The opportunity is for banks to develop a centralized platform, connected to external providers of related services enabling one-stop shopping across a client vertical - for example small business, personal finance, and home-buying. **JC** The Jr logo is a small, stylized 'r' inside a square frame.



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ICG



Industry-Specific Topics

Fintech

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

“How FinTech Adoption is as Diverse as Asia-Pacific Itself” - EY

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

This article is a summary of EY’s most recent survey of consumer attitudes in several countries in the Asia-Pacific region, including China, HK, Japan, Singapore, and Australia. It discusses trends in consumers’ willingness to use fintechs and non-financial firms (telcos, retailers, car brands) instead of traditional providers of financial services (banks, insurance companies), and the differing reasons why consumers in each country are turning to, or willing to try, new providers.

Overall the trends are not good for incumbents, but there are still large segments of consumers in some countries who remain loyal to incumbents, or will at least turn to them first. Incumbents can retain them by offering new services that provide prices and/or customer experience comparable to those of the newcomers. A country by country approach is suggested, rather than region-wide or multi-country solutions. **RD** **lr**



Industry-Specific Topics

Corporate & Investment Banking

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

“2020 Banking & Capital Markets Outlook: Fortifying the Core for the Next Wave of Disruption” – Deloitte

[VIEW PDF \(54 PAGES\)](#)


The Deloitte Insights team presents a very broad overview and outlook for the banking industry, spanning a global geography and seven primary business segments (retail banking, payments, wealth management, investment banking, transaction banking, corporate banking, and market infrastructure) and their detailed expectations across a few domains: regulatory, technology, risk, and talent.

A paper that is longish by necessity of the scope covered, but is well-organized and succinctly written, making it easy for the reader to navigate to areas of specific interest. It sets out the changes underway, plus the outlook for the next decade and for this year (2020). As it is broader than just corporate and investment banking, it is worth a look for all in financial services. **ABV**

“The New Reality for Wholesale Banks” – BCG

[VIEW PDF \(17 PAGES\)](#)

While this paper is titled as “a new reality for wholesale banks”, your reviewer can’t help having a sense of *déjà vu*. The health issues that BCG raises are not new for the sector – albeit that they are continuing, and may even in certain aspects be worse due to lack of treatment – and their prescriptions are not new either (refer to earlier editions of *The Insights Review*).

That is all to say: this is yet another clarion call for wholesale banks to deal with their health. It is not to say that BCG is wrong, but it is to say that many of the current leaders in the sector are yet to heed the key message: “*Given the profound changes sweeping the wholesale banking landscape, business as usual will no longer work.*” **ABV **



Industry-Specific Topics

Wealth & Advice, Investment, and Fund Management

Reviews by:

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

“Beyond the Rubicon Asset Management in an Era of Unrelenting Change” – McKinsey

[VIEW PDF \(34 PAGES\)](#)

A solid article questioning the prevailing industry narrative about doom and gloom in the US asset management industry. Starts at a high level then circles into actionable questions for industry participants. If you don't want the preamble, skip to p27 for their four winning recipes for success in asset management.

Some readers may conclude there is little new in these business models (and they'd be right) but industry executives and internal consultants may find this a useful comparison framework going into a strategy development process. **BJ**

“Asset & Wealth Management Revolution: Investor Perspectives” – PwC

[VIEW PDF \(19 PAGES\)](#)

A quick and insightful article on the results of a survey into investor priorities and satisfaction across six areas. Skip to pages 10-11 for a snapshot of the major areas of alignment (interesting that the industry is over-delivering on investor expectations for ESG), and shortfall (lower fees anyone?).

A worthwhile read for AM industry executives globally serving both institutional and retail clients.

BJ



Industry-Specific Topics

General Insurance

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

“The Insurance Switch: Technology will Reshape Operations” – McKinsey

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

This is a very good high-level article which is interesting and useful to read. However, the author struggles with how they actually address how to get to the next level: to deliver effectively. Given data shows that around 90% of IT projects fail to achieve their desired outcomes, this is a very important component to consider. If we only have a one in ten chance of crossing the road safely, how do we get ourselves into the 10% who do?

Experience we have in ICG suggests that the ‘nice to haves’ outlined in the article are, well ... nice to have, but in reality much more time and effort needs to be given to effective orchestration of the delivery components. These include:

- i) Governance;
- ii) Senior accountability;
- iii) Avoiding putting all your technology chips on one number early on in the programme;
- iv) Recognition that collaboration is not an ethos or culture, it is a set of skills;
- v) Agility is a new buzzword used by many, but successful programmes know and understand the real role of agility; and
- vi) Don’t forget the customer, be focused on them and don’t forget the importance of operational readiness testing and considerations.

Developing an effective delivery approach is the real enabler to crossing the road, and crossing the road safely repeatedly. **PD**

“2020 Insurance Outlook” – Deloitte

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

Good article but to be frank, save yourself time and read the highlights section and dip in where items interest you. **PD** The Ir logo is a small, stylized 'Ir' in a black square.

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

NOVEMBER 2019

“Global Retail Banking 2019: The Race for Relevance and Scale” – BCG

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

An excellent article from BCG explores how digital disruption is reshaping retail banking value chains, resulting in a shift from vertical integration towards a platform-based or “stacked” industry structure. This is a transformative change, leading to the emergence of new business models.

For example, companies that develop leading customer interfaces can offer consumers a broad variety of financial and other services through ecosystems, without having to develop their own banking products and infrastructure. At each layer of the stack, technology enables the modularization of services and challenges the integrated universal-banking model.

Incumbent banks will need to develop new capabilities, and to carefully determine the business model they want to pursue in the emerging industry landscape – whether full-service, ecosystem-based, or product-only. The article includes a very useful taxonomy of the business model design choices available to incumbents and insurgents.

Well-presented, and highly readable.

OCTOBER 2019

“Retail Banking Distribution” – BCG

[VIEW PDF \(17 PAGES\)](#)

In recent years, we at *TIR* have seen many articles on the disruption of retail banking distribution. This article from BCG stands out in articulating a compelling view of the key trends that are driving change across banking distribution, and the key shifts that banks will need to make.

The trends explored include the expanding suite of channels, devices, and social networks that banks will need to leverage to connect with their customers, the blurring robo-human interface, and the ongoing drive towards mass personalization through use of customer data.

Achieving the shift will require profound transformation, and the article sets out some of the changes required. For example, banks will need to develop automated-routing capabilities to choose the best delivery option for each interaction based on the customer potential and nature of the request. Banks will also look to increasingly establish extended ecosystems based on Open Banking and through enabling third-party APIs, as a way of extending their reach and accessing new capabilities.

Recommended reading for those working on digital disruption or channel strategy – and a worthy winner of our *Article of the Month*.

ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

SEPTEMBER 2019

“The Productivity Imperative in Insurance” – McKinsey

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

A good read for insurance executives, and in its way groundbreaking.

The author’s main take out is the need to strategically invest, and secondly, reduce business complexity.

Worth reading more than once as it will provide executives with a blueprint to adjudge initiatives.

AUGUST 2019

“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.



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.

“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*.

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.



ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

MAY 2019

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

NOT AVAILABLE

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.



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David Moloney ✉

ICG Global Practice Leader
Financial Services

EDITOR

Andrew Wilson ✉

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Internal Consulting Group Pty Ltd

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