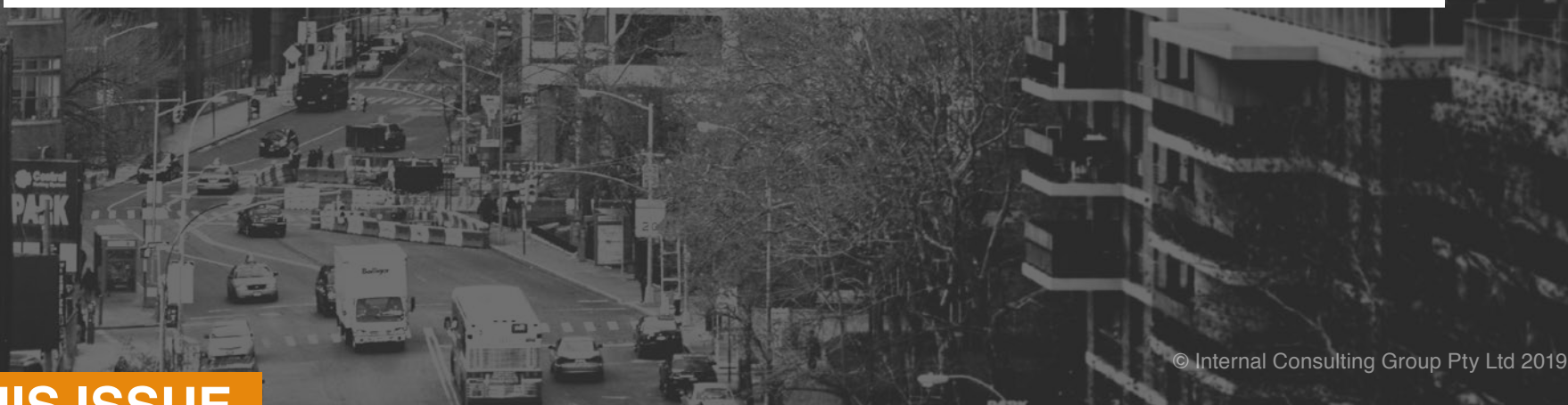




# THE INSIGHTS REVIEW



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## IN THIS ISSUE

STRATEGY & TRANSFORMATION  
ECOSYSTEMS, M&A AND INTEGRATION  
HUMAN CAPITAL  
LEADERSHIP & EXECUTIVE DEVELOPMENT  
RISK & COMPLIANCE

MARKETING & CUSTOMER EXPERIENCE  
OPERATIONS & TRANSFORMATION  
INNOVATION & DISRUPTION  
PAYMENTS  
CYBER SECURITY & PRIVACY

MACRO FINANCIAL SERVICES  
RETAIL & BUSINESS BANKING  
FINTECH  
CORPORATE & INVESTMENT 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.

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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
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- OC&C
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**THE  
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## Message From the Editor,

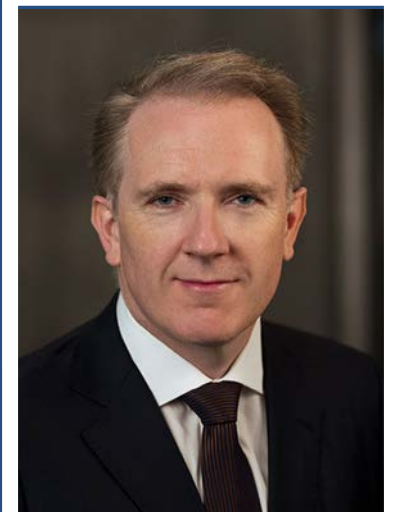
My theme for this month is how our leading clients do their homework properly before embarking on a significant project. They assemble the best available internal resources, then do a short, sharp scoping study with one consulting partner level resource from ICG – this step effectively brings a project architect in-house and helps our clients to get the problem definition really sound before they issue an RFP. Through this process, a growing proportion also realize they can lead the work themselves rather than use an expensive branded firm, and then supplement their team with proven professional consultants from ICG.

Our Article of the Month was reviewed by Michael Trovato who leads our Global Cyber Security practice – to contact Michael on this article or any issue relating to Cyber Security please contact him at [michael.trovato@internalconsulting.com](mailto:michael.trovato@internalconsulting.com). My thanks to Michael, and congratulations to the team at Deloitte.

*“Pursuing cybersecurity maturity at financial institutions” – Deloitte*

Happy internal consulting, from the team at ICG,

**David Moloney**  
Global Editor



**David Moloney**  
Global Editor

### About

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



**THE  
INSIGHTS  
REVIEW**



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# Cross-Industry Functional Topics

In this Section:

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Leadership & Executive Development | Risk & Compliance | Marketing & Customer  
Experience | Operations & Transformation | Innovation & Disruption | Payments  
Cyber Security & Privacy**



Cross-Industry Functional Topics

## Strategy & Transformation

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

### “Beyond the downturn: Recession strategies to take the lead” – Bain

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

It is that time in the cycle again (at least in the US) when the firms roll out their guidance for how to prepare for the downturn or, as in this case, how to out-compete post recession. Using a ‘Good to Great’-style analysis of company performance post the GFC, Bain identifies four traits common to the out-performers, which include early cost restructuring, financial discipline, aggressive commercial plays, and proactive M&A. This one is as good as any, includes some big US case studies, and acts as a call to action even if at its heart it is Bain advertorial.

Figure 4 is also a great slide for Internal Consultants to add to their internal consulting slideware (Note: if you haven’t already, consider downloading ICG’s very own ~ 200-page PPT master deck we call Internal Consultants’ Workbench. Free download [here](#)). – **DM**

### “How firms can evolve service and revenue models to meet customer needs” – EY

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

A short and very lightweight summary of an EY conference on the Next Wave of Financial Well Being. While 83% of US consumers rate their financial well being as good, very good, or excellent, we see historically high debt levels and low savings. Given the huge drop in trust for FS firms, EY makes two key points in this insight. Firstly, that firms need to deliver hyper-personalization (a nice step up from mass customization!). This personalized rebundling requires navigation, a concierge (presumably robo and hybrid and human) and therapy, which sounds a bit fatalistic and reactive when others are focused on proactive guidance through behavioral economics aligned coaching and nudges. – **DM**



Cross-Industry Functional Topics

## Strategy & Transformation

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


### “Is a leverage reckoning coming?” – McKinsey

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

On the same theme as Bain’s recession-focused advice, McKinsey provides the good news that while there is heightened concern for company debt levels, more detailed analysis shows interest rate coverage has remained constant over the past ten years. In addition, the majority of company debt is in fixed rate corporate bonds which won’t need refinancing for 3-4 years, so only companies with poor balance sheets need to start thinking about stress testing. – **DM**

### “Banks and the next recession” – Oliver Wyman

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

A wordy article from an Oliver Wyman partner in Banking Perspectives Quarterly, reminding banks facing a downturn to reduce costs, incorporate a recession scenario in their strategic planning process, consider M&A opportunities likely to come from the recession, and modernize collections and recovery functions. The article has a different set of recommendations for regulators, including fixing incentive problems, preparing for recession-related problems, and considering the use of macro-prudential risks. If you are not familiar with these concepts, then the article provides an introduction – but most *TIR* readers will be better off looking elsewhere for more detailed insights. – **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](#)

### “Three M&A waves reshaping the banking payment acceptance segment” – EY

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

Actually, your reviewer would like to expand a hypothesis which the article does not address. Irrespective of what is proposed by the article, it is all irrelevant: banks are now being bypassed and payments are in the process of becoming the domain of tech giants. Facebook’s launch of a global blockchain currency is the latest iteration. To keep some control, banks will need to embrace distributed ledger technology. Once the ability to process payments is lost, a lot of the rationale of the existing model of banking is lost. – PD The PD logo is a small black square with the letters 'PD' in white.





Cross-Industry Functional Topics

## Human Capital

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

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

### “Financial Services Talent Trends 2019” – PwC

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

**B**anks’ key challenges due to talent shortage are: inability to innovate, faster than expected increases in people costs, and adverse impact on customer care. Yet hiring from outside the industry enthruses only 15% of the bank execs surveyed in PwC’s well executed global talent study.

Fifteen percent! Still only hiring within the industry? Really? With FinTechs on the move? This reviewer’s sentiment echoes that of his colleague’s M&A review this month (see page 8).

Banks used to be the most lucrative (and, to some, sexiest) employers. Some remain remunerative today. Yet banks have long lost their sex appeal – too much binge-watching compliance videos on weekends, declining societal value-add, and insufficient purpose for the individual. If you don’t think this matters, then review any workforce study (yes, think Millennials!).

Enter FinTechs, enter technology firms at large, enter biopharma, enter NGOs, enter cool consulting platforms such as ICG. These can be just as remunerative (and often more so, with equity incentives that actually grow, not decline). The work is more varied and more meaningful – both to the business, the employees, and society at large.

Great article. Read it, yet keep in mind the bigger picture when you do. – **MR** The Mr logo is a small, stylized 'r' inside a square frame.

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

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Cross-Industry Functional Topics

## Leadership & Executive Development

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

### “Is the professional management system broken?” – Bain

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

In April, we reviewed an article from Bain & Company introducing the concept of “Scale Insurgent”, or how to be both big and fast. This month, we review a follow-up article examining the effectiveness of “professional management” in addressing the idea of “scale insurgency”.

The author reviews how “professional management” developed over the years to scale and sustain the organization – from the initial founder stage (characterized by entrepreneurial and visionary themes), into strategic choices (empowered by data and analysis), and systems and processes enabling continuous improvement which led to innovation and growth whilst increasing transparency and managing risk.

The question of globalization and complexity added another factor to the equation. How to scale and stay close enough to customers, everywhere? Can we standardize and deal with disruption? Can professional management define the balance between short-term and long-term imperatives?

After reviewing the classical features of “professional management”, the writer concludes that “scale insurgency” will collide with the challenge of speed, and acknowledges that “professional management” can still support and coexist with the scalability and speed requirements.

It is our view that strategic leadership in organizations will require strategy-level leaders to engage their workforce in defining a clear purpose, building and facilitating continuous engagement, and supporting those who execute strategy and implement business initiatives. These will create a path to both scalability and speed. – **WA** The WA logo is a small, stylized 'W' and 'A' in a black square.



Cross-Industry Functional Topics

## Risk & Compliance

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

### “5 Actions to achieve adaptive Risk Management” – EY

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

With latest advancements in technology, increased competition, and emerging threats such as cyber-attacks, customers expect more speed, personalization, and transparency from their financial service institution. In order to address these expectations, a more flexible approach to risk management is required.

In the article, Ernst & Young proposes to build “Trust by Design” with a five-step approach:

1. Adaptive risk management framework: first line risk managers manage the e2e customer journey from product/service design to sales.
2. Enhanced skill sets: Risk managers must upgrade their skill profiles to manage existing, new, and emerging risks across different risk categories.
3. Mapping client attributes, behaviors, and risks: Based on this mapping, controls must be established which monitor these risks in real-time.
4. Resilience: Must be ensured across the entire organization in order to protect reputation and client assets. It also must be ensured for third-party products and services.
5. Risk data: A respective infrastructure needs to be built and integrated into the established governance as well as risk framework.

Since it provides insights into necessary changes to traditional risk management, the article is a recommended read for all risk managers in the first and second line of defence. – **ES** The logo for the author, ES, is a small black square with the white letters 'ES' inside.



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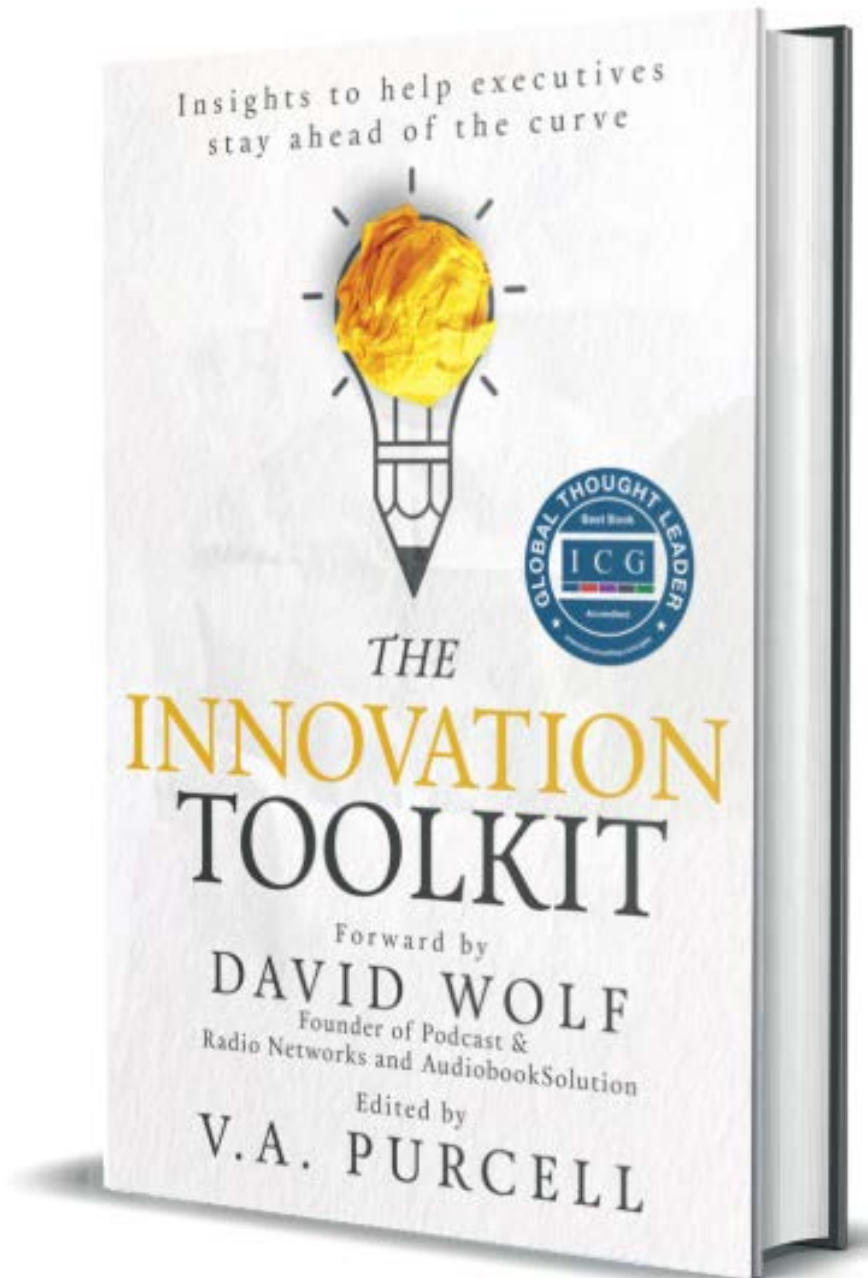
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Cross-Industry Functional Topics

## Marketing & Customer Experience


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

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

### “Five ways to make trust your competitive advantage” – EY

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

This short read, particularly relevant in the wake of the Royal Commission, explains how brands who can develop trust (from employees and customers) can gain competitive advantage through deeper loyalty and engagement. The authors also flag the paradox between the consumer’s increasing unease in sharing their data vs. their deepening requirement for authentic personalized and relevant experiences (underpinned by that same data). Because of this, consumers are demanding a strong value exchange for the data provided. The article goes on to name five core principles that are required to nurture this trust and explains that they must become deeply embedded in the culture, operating model, and reflected in the brand and offerings.

At ICG, we too have been doing an increasing amount of this kind of alignment work around brand/purpose and consumer journeys and value propositions. This article is worth a read and certainly very topical. – LH 



Cross-Industry Functional Topics

## Operations & Transformation

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

### “Think cutting G&A Costs in the Next Recession Will Be Easy? Think Again” – Bain

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

This Bain & Co article begins summarizing a recent survey of USA General & Administration executives noting their growing view that a recession is likely. It highlights the findings that suggest savings opportunities will be as or more difficult to identify than in the past. Three-quarters of the surveyed executives agreed on this point.

While the survey and article is USA-centric, it is worth a read for any executive or consultant tasked with reducing operating costs. Bain suggests four levers to achieve greater efficiencies. These are linked in a step-by-step approach to assist organizations in being better prepared to take out costs when the time comes. The recommended approach begins with improving clarity on cost and cost drivers, and ends with an agreed plan endorsed by the executive team to position them for fast action when needed.

It is a quick read and may assist interested individuals to develop action plans and avoid reacting with across-the-board cuts unlikely to produce positive results in today's already lean organizations. – **JL**

### “Striving for operational resilience” – Oliver Wyman

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

This article highlights the growing importance of operational resilience for management and boards. It is timely given the steady flow of reported failures and the massive impact they can have on customers, public perceptions, revenue, and the tenure of senior executives and the board. It should be required reading for the C-suite and board, and should no longer be the sole responsibility of the risk management or cybersecurity functional heads.

Boards and senior management need to be more proactive to ensure their company is operationally resilient, with a greater focus on risk prevention and the ability to adapt quickly when risks materialize. The article encourages companies to think beyond the traditional view of business continuity and disaster recovery. It also provides actionable insights in the form of a set of sixteen questions boards should be asking, and a four-step process for building operational resilience. – **JL**

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Cross-Industry Functional Topics

## Innovation & Disruption

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


### “Addressing consumer bank switching dynamics must now be a priority” – AT Kearney

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

This article is a summary of ATK’s latest US bank customer survey (7000 adults), commenting on trends in switching behavior. The full survey results are also available for download. The most interesting findings from this survey are that consumers are switching more, and that the convenience or inconvenience of their online experience is increasingly the reason they stay or leave. The same trends are probably observable in other countries, favoring the rise of completely online neobanks in those countries where regulators are supportive. – RD

### “Does banking future now outweigh its past?” – KPMG

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

Complementing the ATK article reviewed above, this short perspective from KPMG considers how much time banks have to transform from their inflexible and disconnected legacy systems, to modern digital infrastructure that will give their customers a seamless online experience – before the trickle of customers leaving for one of the neobanks turns into a flood. Having described the risk, the article slips into a sales pitch for digital transformation (because it’s not just about technology), and considers the options of building capabilities in the whole organization, building a neobank as a flanker brand, or taking a short-cut by buying one and trying to transfer capabilities to the rest of the organization. – RD 



Cross-Industry Functional Topics

## Payments

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

### “Cashless payments help economies grow” – BCG

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

It's an interesting premise: that moving away from a cash economy to a cashless economy can generate an annual GDP growth of up to 3%. The article lays out the challenges in switching an economy to digital, which would resonate with anyone in the space and gives some country-specific examples of how the policymakers have helped the industry move forward. Good 101 on what to do if you are starting the economic shift to digital payments from scratch. – **RM**

### “How the payments function can adapt for a digital future” – EY

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

Quick read which points to many of the recent and underway changes in the payments and technology landscape. If you really need help in this space, work with people who have run a payments business in the past who also understand the actual challenges in moving to some of the new technologies and can navigate through them operationally. – **RM** The RM logo is a small black square with the letters 'RM' in white.



Cross-Industry Functional Topics

## Cyber Security & Privacy

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

### ARTICLE OF THE MONTH

#### “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.

– MT

#### “Reimagining customer privacy for the digital age” – Deloitte

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

Another good contribution by Deloitte research focused on financial services privacy and how financial institutions can go beyond compliance. It demonstrates several complementary ideas to your reviewer’s new book *The New Governance of Data and Privacy – Moving from compliance to performance* (published by the Australian Institute of Company Directors). The article tackles emerging technologies and offers a guide for thinking about their implications, asks organizations to rethink their policies, and moreover to manage privacy in a more proactive and strategic manner. This one will be appreciated by boards and Chief Privacy Officers, and may guide other C-level execs to see and seize the opportunity.

– MT



Cross-Industry Functional Topics

## Cyber Security & Privacy

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


### “Global banking fraud survey” – KPMG

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

This well-written inaugural Global Banking Fraud Survey does not cover privacy and cybersecurity in detail, but instead shows us what it looks like when cyber criminals get the best of us. They ask a leading question: “The multifaceted threat of fraud: Are banks up the challenge?” Based on this survey, depressingly the answer is “no” – and until banks get the basics right at the customer level and implement appropriate controls, fraud will continue to rise. Further, the authors correctly highlight the challenge of open banking that while we crave convenience and choice, we will likely be providing that to criminals as well. Great first effort and well worth the read by all (and for some, it will demystify the topic of cyber crime). – **MT**

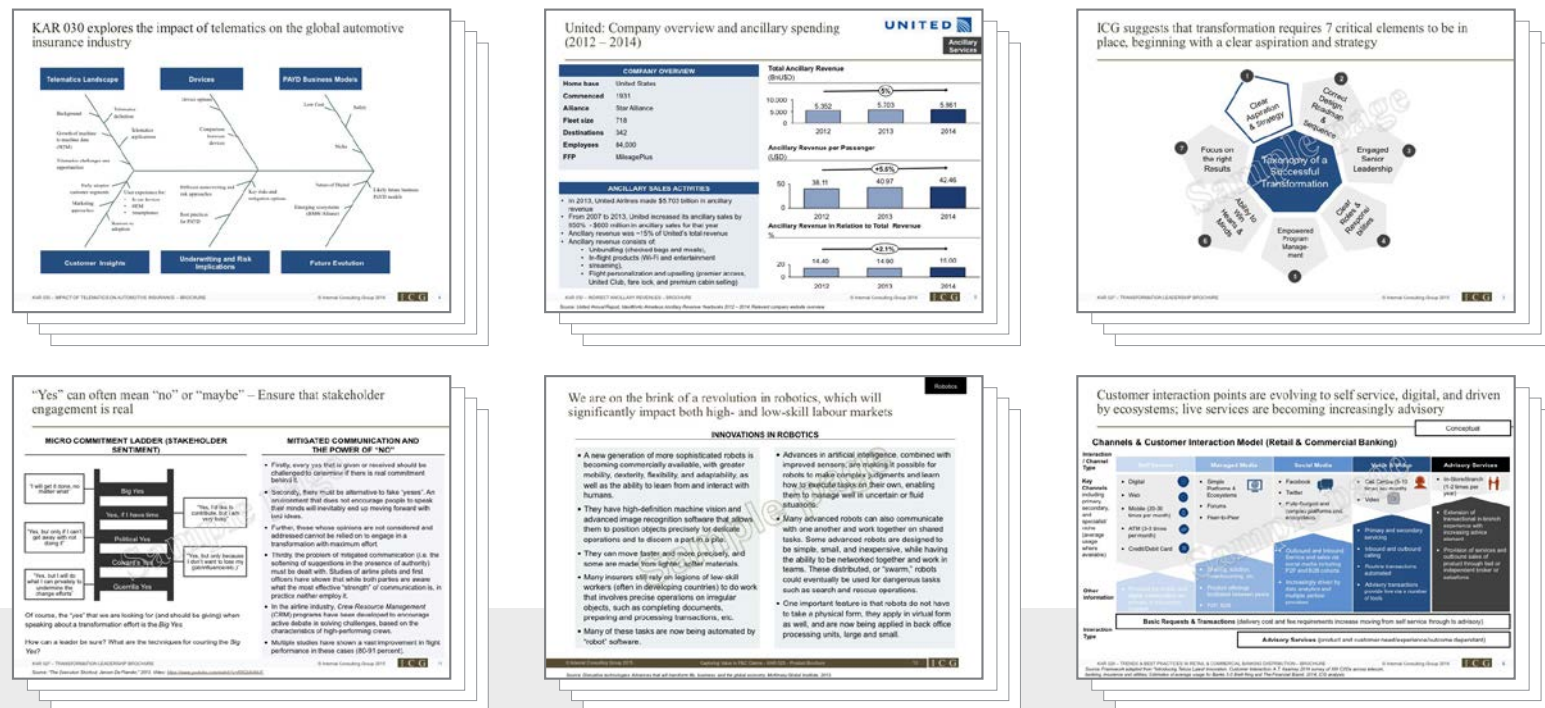
### “Digital Trust Insights” – PwC

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

Although the EY Global Information Security Survey (GISS) has been running slightly longer and is the most accepted of the Big Four surveys, PwC’s Global State of Information Security Survey (GSISS) has also been published for 20 years – until this reboot. As cybersecurity, privacy, and data ethics become increasingly intertwined, PwC has refashioned their security survey for the new inaugural Digital Trust Insights. Not bad for a first effort and the attempt to “write-up” to the board level is to be commended. Unfortunately, as this reviewer imagined trying to take action based on the Actionable Advice, they often wondered “how to action?” or realized many of the actions were so basic, most organizations would have already taken them. Combining the various disciplines to create a coherent set of insights for digital is a challenge, even for consultants. – **MT** 



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# Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Retail & Business Banking](#) | [Fintech](#)  
[Corporate & Investment 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](#)


### “As Banks Pursue Digital Transformation, Many Struggle to Profit from It” – Bain

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

A useful but lighter summary of better practices to remedy digital transformations that have yet to deliver to expectations. It contains some helpful tips, including a graphical representation of more common carrots and sticks and a simplistic organization guide to riding the S-Curve. A helpful introduction for internal consulting teams. – **DM**

### “Open banking for greater customer value” – KPMG

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

A superficial overview of open banking is followed by a six step prescription for better preparation for this transformative regulatory and competitive trend. It is based on work done in the EU, UK, and Australia. The list, which includes educate and engage customers (perhaps enmesh them would be a better strategy), and prioritize open data (perhaps where not cannibalistic until fast follow makes more economic sense), should give our readers an appreciation of what they are in for if they read the article. – **DM** 



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Industry-Specific Topics

## Retail & Business Banking

Reviews by: Julian Cappe | ICG Subject Matter Expert | [Contact](#)

### “European Retail Banking Radar 2019” – AT Kearney

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

**A**T Kearney’s annual report is a concise summary of key trends across the European retail banking landscape.

This year’s edition features the swift rise of neobanks – insurgents offering a low-cost, mobile-focused banking platform – which are projected to grow to a 20% market share within 5 years, and are heightening pressure on incumbents.

The report also observes a level of ongoing branch closures across incumbents, however without significant improvements in operating efficiency, and highlights the need for a broader refinement of bank operating models. A final trend relates to the growth of open banking, and the willingness of European customers to share their personal data with the banks. – **JC**

### “How open banking could save branch banking” – EY

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

**T**his short article offers a few insights on how open banking can regenerate bank branches and transform them into key vehicles for customer interaction. Retail bankers working on branch distribution strategy may find this of interest; those seeking a detailed primer on open banking architecture will need to look elsewhere. – **JC**

**Ir**




Industry-Specific Topics

## Retail & Business Banking

Reviews by: Julian Cappe | ICG Subject Matter Expert | [Contact](#)

**“When seeking a digital advantage, is customer trust the missing piece of the puzzle?” – EY**

**VIEW PDF (7 PAGES)**

**A** timely and thought-provoking article which highlights the critical importance of consumer trust within the digital experience, given the current spate of concerns around data breaches and misuse. This piece focuses on the steps that organizations can take (although covered at a conceptual level only) to establish and strengthen trust with their customers, in order to comfortably share data through the digital experience. – **JC** 



Industry-Specific Topics

## Fintech

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

### “Insurtechs on the rise” – Bain

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

This article observes that while the number of insurtechs in health and life insurance is growing, very few of them are actually insurers. Most are marketplaces or distributors for products underwritten by incumbents, or providers of data and digital services. But even if they don't manufacture products, insurtechs do pose a risk to incumbent insurers. They can intermediate them, and bypass their legacy channels, by offering consumers a good online experience and better choices. This trend can be observed in many industries, where online marketplace platforms (e.g. Amazon) become the place consumers go to first, for the sheer convenience of it. The article finishes with a discussion of options for incumbent insurers to mitigate the risks posed by insurtechs (or take advantage of them), but the tone is not urgent. – **RD**

### “New financial services marketplaces are now high impact models” – Capgemini

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

It shouldn't be news to anyone that online marketplaces are a disruptive force in a range of industries. This article discusses marketplaces that have emerged in financial services, and ends with suggesting that incumbents collaborate with marketplaces to do the things their legacy systems won't let them. Several other articles reviewed in this edition of *The Insights Review* have also touched on this theme of how incumbents can respond to digital competitors, and they offer more data and insights than this one does. – **RD** The Insights Review logo is a small black square with the letters 'Ir' in white.



Industry-Specific Topics

## Corporate & Investment Banking

Reviews by: Andrew Boyes-Varley | ICG Practice Leader Wealth Management & Superannuation | [Contact](#)

### “Creating a Digital Treasury in Banking” – BCG

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

Regular readers of *TIR* will recognize this as yet another call for the leverage of digital tools in the CIB sector and, indeed, for all financial institutions that maintain a treasury function. So, while this is not a brand new issue for these institutions, the focus is on the particular challenges of the treasury, which BCG argues have been overlooked.

According to BCG, “digitization can reduce treasury operating costs by on average 20% to 30%, and increase average NII (net interest income) by 10% to 15%”. Further, based on their survey of 44 banks, “most institutions have a relatively low level of digital maturity”.

Notwithstanding its lack of novelty, this paper addresses an area worthy of consideration. If you look at nothing else in this paper, the classification of the technology tools to achieve functional outcomes along the value chain (see Exhibit 3) is worth reviewing. You may even recognize it as a framework that could be useful in the deployment of digital tools to other business applications. – **ABV** The ABV logo is a small, stylized 'tr' inside a square frame.





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 win in a Winner-Takes-All World” – BCG

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

The authors describe the continuing global transition from high-fee active to lower-fee passive funds. That this is occurring at a far slower pace in EU and AP than US suggests AMs in these regions have relatively more pain in front of them. Of particular interest is BCG’s finding that cost base does not fall linearly with increasing size, and that it’s the mid-sized firms most challenged with expenses. So for mid-tier AMs in EU or AP, this article is well worth a read, suggesting they either get big or stay small and nimble. The article ends with suggested strategic themes that will be valuable for internal consultants and AM executives as they complete their annual review processes.

– BJ



Industry-Specific Topics

## General Insurance

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

### “How insurers can maintain customer trust while using their data” – EY


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

A summary document which fails to address the main issue of trust, and that is a perception by many retail consumers that insurers use information to exclude risk, or to vitiate their obligations. – **PD**

### “Insuring the gig economy” – KPMG

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

A new topic and one well known to ICG consultants. The article identifies the need, but is probably a bit behind in that most of these products are available. In addition, it slightly misses one need, and that is investigation insurance – because the biggest danger to many contractors is of course the national internal revenue services, and their aversion to the gig economy. The main example is the UK with the new revised IR35 legislation which aims, irrespective of status, to force gig economy players to be “deemed for tax purposes” to be employees.

Despite the availability of many products, they are unattractive, as insurers charge premium prices and do not incorporate scale pricing. The real innovation in this area will be players who undertake an affinity group approach and aggregate the demand to bring scale benefits to bear. The best placed to do this are insurance intermediaries. – **PD** 

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

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 Organization.”



## 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 ground breaking insight contributes heavily to new thinking on how to deal with incentive structures.

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

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

Very well worth a read.






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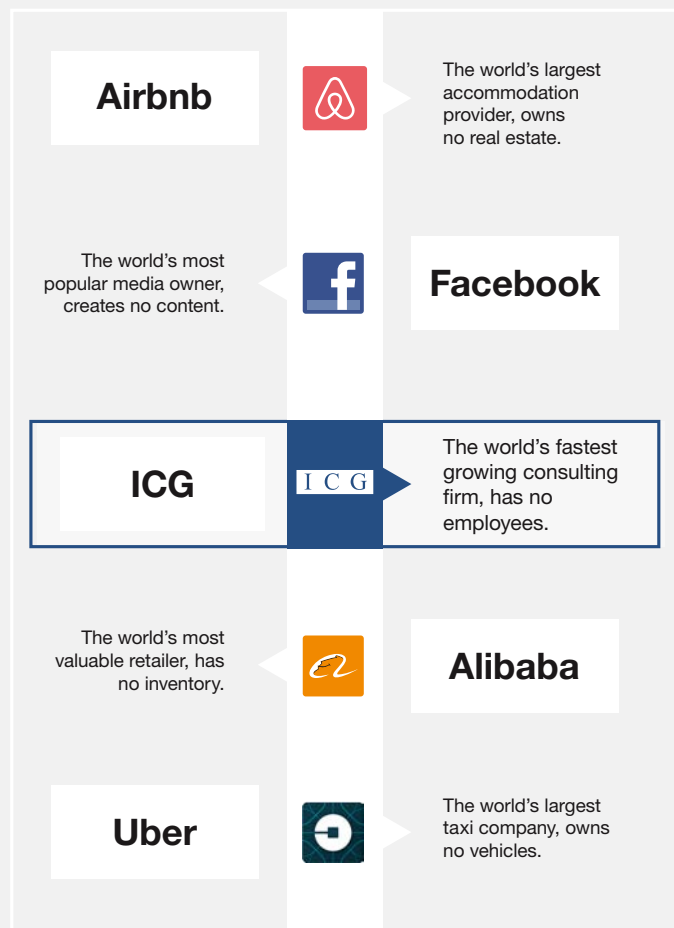


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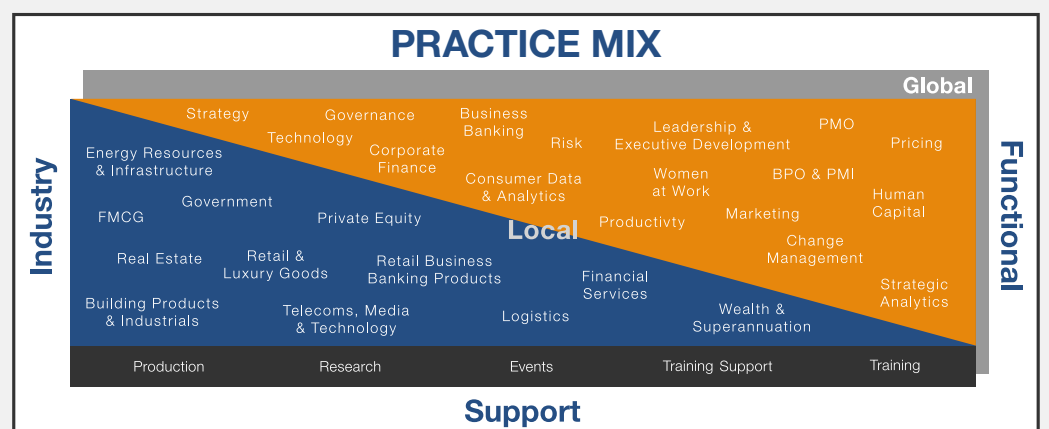
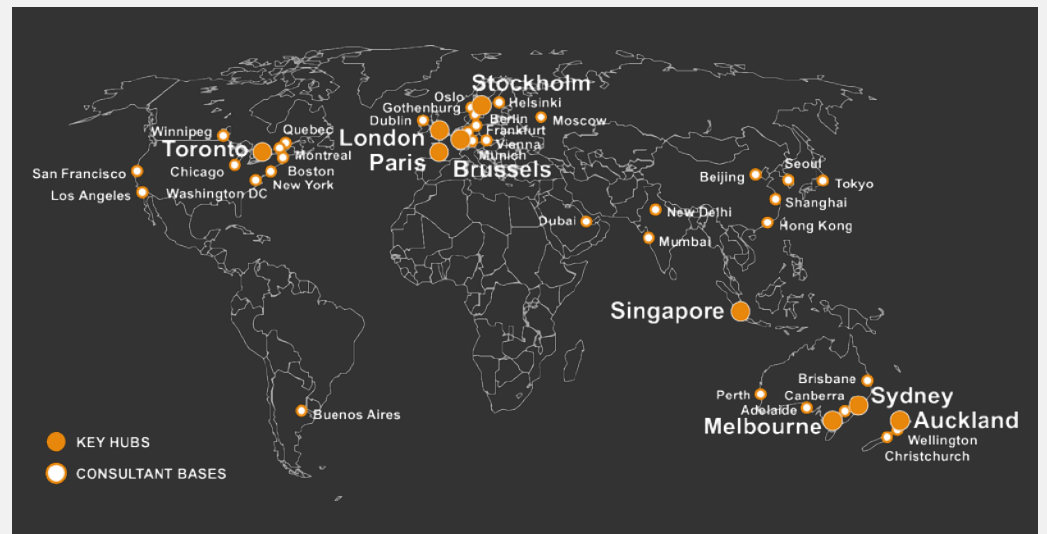
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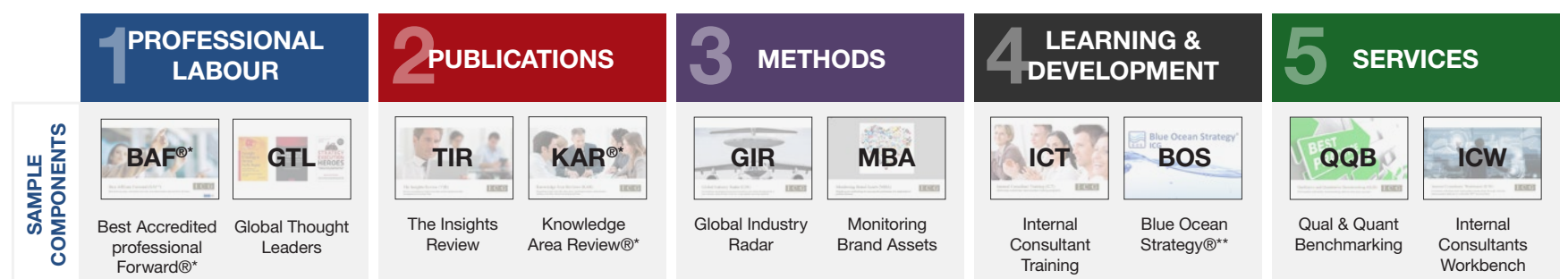
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