



THE INSIGHTS REVIEW

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About this Report

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

- ACC
- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte, Touche & Tohmatsu
- Ernst & Young
- FMCG
- Huron Consulting
- IBM
- KPMG
- L.E.K.
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&

Message From the Editor,

ICG predicted increasing turbulence in economic, political, and weather spheres, and unfortunately resilience has become the new focus for many of our clients around the globe.

As these clients get busier and busier, they increasingly turn to *The Insights Review* as a way to save themselves valuable time whilst keeping abreast of the latest developments in their function(s) and sub-sector(s).

We hope you like the new format of *TIR* and congratulate McKinsey on their article of the month:

[“The New Battleground for Marketing-led Growth” – McKinsey](#)

We wish you efficient and enthralling reading, and look forward to your company next month.

Please don't forget to forward on your copy of *TIR* to colleagues and friends, and encourage them to subscribe for their own complimentary edition [here](#).

Warm regards,

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**

FINANCIAL SERVICES EDITION

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Cross-Industry Functional Topics

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Cross-Industry Functional Topics

Strategy & Transformation

Reviews by: Gopal Sondur | Chief Executive Officer & Strategy Practice Leader | [Contact](#)

“Improve Pricing & Revenue Through Irrational Customer Behaviour” – AT Kearney

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

An excellent, very sophisticated article and a must-read for anyone dealing with marketing. The ability to predict how customers and markets will behave, perform and progress over time has become an increasingly sought-after skill set among business leaders. Anchored in the concepts of behavioral economics, the observations and conclusions about customer decision-making process and the underlying irrational aspects are well articulated. Even more interesting are the recommendations on how to leverage that irrational behavior to improve pricing and revenue.

However, exploiting or leveraging irrational customer behavior must be handled with kid gloves. In studies by Sivanathan & Pettit (2010) and Dunn & Hoeg (2014) the researchers noted some behaviors where ‘self-threat makes us buy expensive cars and fear makes us attached to brands’. Over-zealous marketers could easily get carried away with such knowledge and stray towards the unethical – but don’t worry, this article focuses on pricing and portfolio optimization fueled by understanding of the customer’s irrational decision-making/buying behavior. Readers excited with this topic should also consider articles on corporate ethnography, yet another dimension of trying to understand customer behavior.

“Digital Strategy for a B2B World” – Bain

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

Managers in traditional companies find the oft-quoted digital strategy examples from Google, Uber, and Amazon etc., hollow. The reason: big traditional companies, with decades of history and legacy, are simply different from these newer digital entrants. The beauty of this article is the clarity with which the authors are able to convey their messages on the very complex topic of digital strategies for B2B companies. B2C digital strategies and B2B digital strategies have very stark differences arising from the ecosystems they operate in. CEOs of B2B companies leading a digital strategy program have to walk the fine balance of finding a place for both the Doer’s and the Dreamer’s. Doer’s are grounded and constrained in the realities of existing partnerships, asset lifecycles, regulatory issues, siloed processes and systems, and so on. Dreamer’s want to envision the disruption in ways that others can’t copy easily.

Transforming customer experiences, operational processes, and business models are some of the key end-points that a successful B2B digital strategy should aim for. The article recommends that a multi-step approach be taken to ensure that there is a good balance between vision and pragmatism; Bain’s Digital Radar provides a good framework for this. **lr**



Cross-Industry Functional Topics

Extended Enterprise & Joint Ventures

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

“Tapping the Unexpected Potential of Joint Ventures” – Bain

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

Bain & Company confirm our own experience that joint ventures are back in vogue – in this cycle, to build value by taking inorganic approaches to growth. To prove the point, Bain claims that the value of JVs grew at twice the rate as M&A over the last 20 years.

It is clear that JVs need to be carefully designed, and as many parameters as sensible need to be agreed up front. Bain also makes the point that a JV needs to be managed over its lifetime, where contingencies and changes in circumstance require continuous adjusting. Yet, the suggestion of monthly/quarterly performance meetings and bi-/tri-annual fundamental review meetings isn't novel, and falls a little short of being the recipe for JV success; in fact, these are now common to all well-managed JVs. Far too much focus is placed on upfront negotiation, whereas even something as basic as an institutionalized relationship audit is missing.

While we agree that joint ventures and strategic alliances, if well managed, can create value for growth, we would have wished for slightly more novel insights into ensuring JV success once they are operational. **lr**



Cross-Industry Functional Topics

Corporate Finance / M&A

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

“The Artful Synergist, or How to Get More Value from Mergers & Acquisitions” – McKinsey

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

A short but thoughtful essay on how M&A deal design and due diligence can be done more effectively, by involving more of the managers that will have to do the integration if the deal goes ahead. In addition to providing a clear connection between the deal and the all-important post-merger integration, bringing their functional expertise from across the organization into the M&A deal team should lead to better ideas and decisions. The article discusses the trade-offs and risks of a more inclusive M&A process like this, and gives some examples of how they’ve been resolved. Food for thought, but still hard to do.

“The Changing Rules for Digital M&A” – Bain

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

Large corporations are acquiring digital or tech companies to find new sources of innovation and growth, and to transform the DNA of their organization. This article is a timely discussion of why acquiring digital or tech companies (from start-up to billions of dollars size) requires a different approach to traditional M&A, one more akin to what a VC would use. Traditional M&A deals, even though they have tangible assets and historical profits available for analysis, often don’t deliver the value that the decision to do the deal was based on. Digital M&A deals are even more likely to produce poor outcomes because so much of their value is intangible, cultural, and in the future. The article describes a list of things to do differently for digital M&A and gives examples of deals regarded to be successful. [lr](#)

Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses

KAR 032



106 pages

Covering the Evolution of Indirect Ancillary Revenue & Profitability for Travel & Tourism Related Businesses.

[VIEW KAR 032 >](#)



Cross-Industry Functional Topics

Regulations & Public Affairs

Review by: Egbert Schaefer | ICG Subject Matter Expert | [Contact](#)


“Compliance at Large: Meeting Obligations Across Networks” – KPMG

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

According to KPMG, organizations operating in various industries face similar compliance challenges. These challenges include complexity and volume of applicable regulations, as well as management of multiple sites. As part of a solid compliance strategy, a plan with following phases is suggested:

1. Plan
2. Execute
3. Analyze and
4. Learn.

This plan can be supported by IT (RegTech) and appropriate communication culture (management involvement, and detailed explanations given to customers). Failure to establish a solid compliance strategy may lead to reputational, financial, and people risks.

While the article lists commonly known challenges, the suggested approach may hold some interesting insights for Risk Managers. The description of each phase also outlines which components are needed to remain compliant. 

Confidential Market Sounding (CMS)



Improves understanding of the external environment by recording the appetites and views of external stakeholders.

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Cross-Industry Functional Topics


Corporate Governance

Review by: Henri Eliot | ICG Practice Leader Corporate Governance | [Contact](#)

The Dark Side of Transparency – McKinsey

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

According to McKinsey, executives need to get smarter about when to open up and when to withhold information, so they can enjoy the benefits of organizational transparency while mitigating its unintended consequences.

Transparency is generally lauded as a noble, if sometimes elusive, goal for businesses and executives. This 7-page McKinsey paper highlights some of these key challenges. A useful and thought-provoking quick read. 

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Cross-Industry Functional Topics

Human Capital

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

“Rewriting the Rules for The Digital Age: Human Capital Trends” – Deloitte

[VIEW PDF \(144 PAGES\)](#)

Deloitte presents an impressive study of the most important issues and trends in the Human Capital space. It follows similar studies undertaken by the Big 4, all of which have been reviewed in previous editions of *The Insights Review*.

What makes this article stand out is its readability for those who don't want to cuddle up with 144 pages of study. Deloitte lands on 10 key trends, and right at the beginning these are broken down by sector and by geographic region. There is then an excellent summary of “old rules” and “new rules” at the end of each trend analysis.

Besides readability, two things stand out on the contents side. Firstly, the study recognizes that changes in how we collaborate and use technology fundamentally change how we think about organizational design, and by implication how organizations develop from being directed/hierarchical to self-orchestrating and principles-based. Secondly, the study confirms the fundamental progress made in performance management, with a focus away from one-off reviews to crowd-sourced contribution feedback and remuneration impact.

This study's sectional summaries are a must-read for any CEO and C-suite; the whole study is a must-read for all Chief Human Resource Officers.

“Harnessing Automation for a Future that Works” – McKinsey

[VIEW PDF \(140 PAGES\)](#)

The McKinsey Global Institute provides an excellent piece of research squaring the interrelationship between increased automation and the future of human capital.

The most interesting section consists of five case studies bringing the implication of automating routine human activities to life. Each study also includes McKinsey's estimate of human labor substitution and performance gain (those being, in the example of hospital emergency rooms, an interesting 70% and 30%, respectively).

We recommend this read to both Chief Operating Officers and Chief Human Capital Officers alike – these two functions will need to work together closely to bring this future to our day-to-day reality. **lr**



Cross-Industry Functional Topics

Risk & Compliance

Reviews by: Egbert Schaefer | ICG Subject Matter Expert | [Contact](#)

“A Sisyphean Struggle” – BCG

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

Based on findings from over 30 banks in Europe and America, BCG’s Treasury Benchmarking Survey concludes that banks face a never-ending “Sisyphean” struggle to stabilize their net interest income while complying with the new regulations.

In order to stabilize net interest income, treasury departments are tasked to find new sources of yield and income such as adjustment of to maturity management models or liquidity buffers. This needs to be achieved while complying to new or expected rules for Liquidity Coverage Ratio (LCR), Interest Rate Risk Banking Book (IRRBB), Fundamental Review Trading Book (FRTB), Total Loss Absorbing Capacity (TLAC) and others. Further challenges are represented by IT infrastructure and data availability.

The survey finds that banks need to review their operating, trading, and treasury models and transfer risks from the treasury to the trading book. Further solutions may be found with the adjustment of the fund transfer pricing model and adaption of a more client-centric pricing, i.e. shift of incurred costs to respective products and services.

While Australian banks with a local or regional footprint may find that they face different challenges due to local regulations and different market characteristics, the survey could provide some interesting insights in outlined solutions approaches, e.g. centralized governance and pricing models. It is a recommended read for treasurers.

“Cognitive Compliance Highlights an Opportunity for Banks” – IBM

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

This article highlights the challenges banks face with the increasing complexity and volume of regulations. IBM suggests that by 2020, a mid-sized institution would need to comply with over 300 million pages of regulations. Furthermore, regulations are released in an unstructured format (text form) increasing the effort necessary to analyze, interpret, and implement applicable rules for particular businesses, services, and jurisdictions.

To address these challenges, IBM is building a Cognitive Compliance platform. This system can process regulations taking advantage of cognitive computing principles, which include learning, contextual reference, and machine scalability. The aim of the system is to accelerate the impact analysis of new regulations for early lobbying efforts and enhance decision-making.

IBM’s Cognitive Compliance platform may provide a future solution for analyzing and interpreting regulations for individual organizations. However, the completeness and quality of the system’s analysis results remains to be seen. Furthermore, the article does not mention first client experiences or acceptance of the platform by regulators. The article gives interesting insights into a future solution approach, but current usability is limited. **lr**



Cross-Industry Functional Topics

In-House Legal

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


“Get the Board on Board: Fulfilling Cybersecurity Governance Duties” – ACC

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

This article is aimed at helping in-house counsel educate and engage the board of directors with regard to data security by understanding:

1. What is at risk
2. The company’s plan to address a data breach, and
3. The legal consequences for the company, as well as the directors’ own personal liabilities.

The article is clear and well written, and on the final page provides a checklist of what to do when a breach occurs. Although unlikely to be revelatory for in-house counsel, it is useful for bringing the issue of cyber security front of mind. It may also be beneficial for those who have recently joined boards.

Lastly, the article does not touch on the importance of creating a culture of information security within an organization. Defined and led by the C-suite and the board and lived on a daily basis by all employees, such a culture can go some way in reducing the ever-increasing threat of cyber-attack. Addressing this would have helped add weight and utility to the article. 



Cross-Industry Functional Topics

Marketing & Customer Experience

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

ARTICLE OF THE MONTH

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'.

“Running the Business Through Your Customer’s Eyes” – Bain

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

This helpful insight doesn't use the term 'customer journey' once, we suspect due to the NIH (Not Invented Here) factor as McKinsey and others have popularized it. Bain fight back with some helpful, if largely 101, insights on what a customer journey is, how to categorize them, and how to build a customer experience factory that industrializes the improvement and operationalization of them. However, just don't say 'customer journey', say Bain: say 'customer episodes'.



Cross-Industry Functional Topics

Marketing & Customer Experience

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

“Making Sense of the Marketing Measurement Mess” – BCG

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

A very logical description of the ever-more-challenging role of measuring marketing’s effectiveness. Avoiding another silver bullet approach, BCG instead suggests a re-assessment is required and presents a straightforward hierarchical approach with the grandiose title of ‘measurement architecture’. High level and conceptual, the insight offers some sensible direction but leaves you wanting more insight and less tease. **lr**



Cross-Industry Functional Topics Technology

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

“Making Use of Data” – Oliver Wyman

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

This article could be summarized in two sentences:

1. “All models are wrong but some are useful”
G. Box
2. Use Big Bata to uncover the unknowns,
not your biased knowns.

Beyond that, this article gets lost in detailed uses cases and graph explanations which, although interesting, could be spared for a follow up meeting/report.

Retail focused, this article is quite relevant in spirit for all industries. Read the “takeaways” and the conclusion, and you’ll make good use of your time.

“The Currency of Trust: Why Banks & Insurers Must Make Customer Data Safer & More Secure” – Capgemini

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

Yet another article, if need be, about the importance and the need of data security in the FS industry.

Easy to read, it provides a quick and simple read-out of a customer survey conducted across key countries of the western world as well as India, focused on the trust equation between customers and their financial institutions (banks and insurers).

Very high level, it is best suited for security executives looking for data points to support their strategy.

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

Innovation & Disruption

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

“The Seven Decisions that Matter in a Digital Transformation: A CEO’s Guide to Reinvention” – McKinsey

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

On a similar theme to the Bain article about digital M&A (reviewed in the Corporate Finance M&A section), this McKinsey article discusses the challenges in trying to digitally transform an organization and overcome the inertia of business as usual – and of course it lays out a 7-step process for doing so. But it looks a lot like a generic strategic transformation methodology dressed up in digital clothes, with some digital examples thrown in. Not a lot new here. **lr**

Impact of Telematics on Automotive Insurance

KAR 030



98 pages

Featuring the business models and alliances driving innovation, as well as their successes, failures and key learnings.

[VIEW KAR 030 >](#)



Cross-Industry Functional Topics

Communications


Review by: Amanda Crews | ICG Practice Leader Communications | [Contact](#)

“Mash-up Wanted: Social Posts Meet Net Promoter Feedback” – Bain

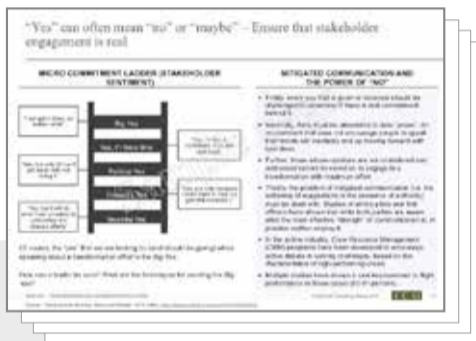
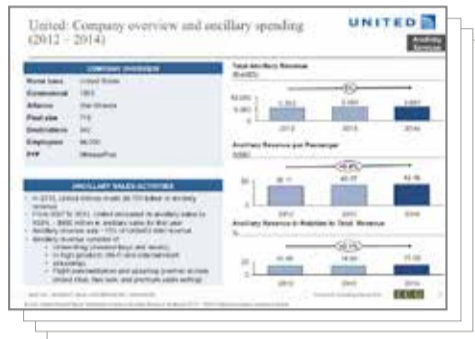
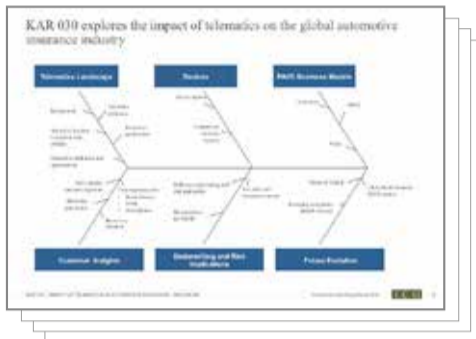
[VIEW PDF \(2 PAGES\)](#)

This article talks about Net Promoter Score and details the opportunity to be gained from a stronger relationship between NPS and social media listening and response. It takes a fresh view that social insights (in particular venting, but also the positives such as images of a meal at a restaurant posted with positive comments) has more value to add to the executive decision making process than might currently be derived. It says that companies where social teams are separate to those that run the NPS are missing an opportunity.

The central insight, therefore, is that the social media data and NPS are two parts to the customer experience equation; accordingly, strategies on how to improve customer experience should take into consideration real-time free-form commentary of social, coupled with NPS scores. Linking both could unlock significant customer advocacy and lifetime value, and drive more robust and proactive customer strategies.

Online Influencers are powerbrokers, and this article suggests identifying Promoters to amplify the brand message, thus linking the NPS data with social data. This article might prompt some executives to think about elevating the Social team from the lower levels of the organization to turbocharge their customer insight outcomes. 

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- Bank Cost Reduction Program

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Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Retail & Business Banking](#)
[Fintech](#) | [General Insurance](#)



Industry-Specific Topics

Macro Financial Services

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

“A Brave New World for Global Banking” – McKinsey

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

Rehashed summary of last month’s full financial services industry report. A useful reminder of the three major issues: Growth is in the doldrums, regulation costs are growing, and digital technology is causing disruption.

Advertorial scaremongering.

See our review of the main report in last month’s issue [here](#).

“The Case for Digital Reinvention” – McKinsey

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

Grandiose-sounding global research study but with smallish industry sample sizes, opaque respondents levels, and questionable robustness (survey findings based on ‘rate degree of change in past three years by a number of factors’).

If you can live with this level of robustness, then the major findings are that digitization is now at 40% across all industries with financial services at 39% (media is at 62%), that firms experience a range of ROIs on their digital projects, and they have higher potential for maintaining performance if they disrupt rather than fast follow.

Also includes a short video which presents the key research findings. [Ir](#)

Engage Your Peers (EYP)



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Industry-Specific Topics

Retail & Business Banking


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

“Bank Branch & Call Centre Traffic Jam” – Bain

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

A mildly interesting article that attempts to find the link between channel usage and demographic segmentation. Many executives and consultants working in customer experience roles typically assume that younger customers are inclined towards digital channels, and older customers towards traditional channels. Not so, according to Bain’s survey: demographic channel alignment is not so straightforward.

Older demographics have readily embraced online banking, in addition to traditional channels, and are beginning to adopt digital channels – usually rating the experience highly after their initial interactions. More surprisingly, younger customers are continuing to visit their bank branches, often after a disappointing experience using the bank’s digital channel – at which point, they often cite technical problems or lack of functionality.

Clearly, banks need to repeatedly challenge their own digital offerings and redouble efforts to offer satisfying interactions across all channels. 



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Industry-Specific Topics

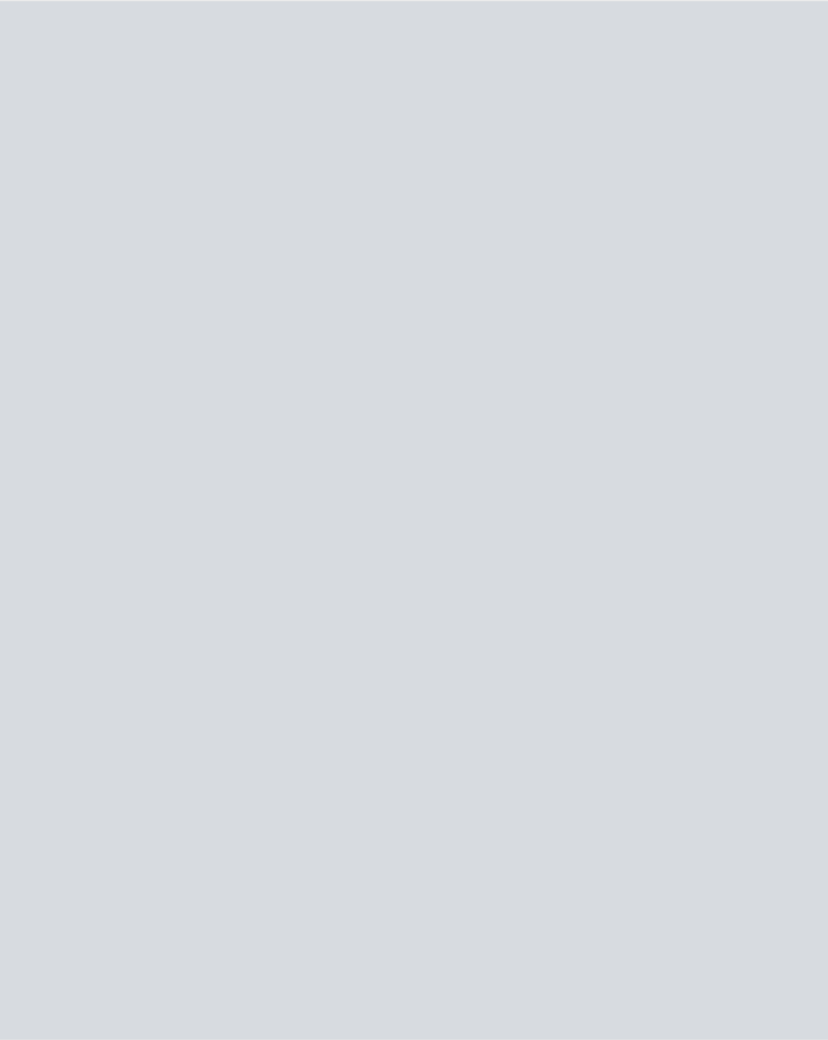
Fintech

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

“Blockchain in Financial Markets: How to Gain an Edge” – Bain

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

Just like when the internet was emerging in the 90s, today everyone is trying to figure out how to profit from blockchain – or starting to worry about what it might do to their business. This article describes the state of excitement and worry in the financial services industry, the one most affected by blockchain, and discusses where in the world and in which parts of the industry the impact of blockchain is likely to be felt first, and the reasons why. But, like blockchain, the article covers a broad range of applications and impacts, so it is difficult to extract any kind of recommendation or prescription. Read for background and more examples of who is using blockchain and what for.



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


General Insurance

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

“Identifying Disruptive Opportunities in Insurance Distribution” – Accenture

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

A very likeable report from Accenture. Based on an annual survey of 32,000 insurance customers across 18 markets, this insight contains an interesting set of current and future opportunities for insurance providers to extend their offerings via ecosystem and partner plays. While some, such as pay-as-you-go insurance sold via telematics from car providers, may sound a little far-fetched for now, others, such as creating affinity pools of insurance risk, make a lot of sense.

The report includes a lot of useful trend data (even if averaged over a lot of markets) and some very helpful categories of strategic response – well worth a read for all internal consultants. 

Transformation Leadership

KAR 027



110 pages

In-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others.

[VIEW KAR 027 >](#)

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

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 realise 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.

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).



Articles of the Month

The Best Insights of the past 12 months

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 co-opetition 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.

OCTOBER 2016*

“Capital Markets & Investment Banking 2016: Time for Tough Choices & Bold Actions” – McKinsey

[VIEW PDF \(48 PAGES\)](#)

Regular readers of the CIB section of *The Insights Review* will recognize that this paper by McKinsey is another in the stack by all the branded consultants on the same set of issues facing this sector. As the title suggests, many participants have not yet made their choices, never mind put them in to action.

The paper is of the high quality one would expect from this firm. It starts out with data, analysis, and insight to succinctly lay out the challenges facing the sector. This is followed by four mutually exclusive, potentially winning business models to choose from – based on the organization’s capabilities (or put another way, resources and strategic purpose). Finally, it concludes with eight action initiatives, irrespective of which business model fits best.

In your reviewers opinion, this is the most comprehensive, insightful, and pragmatic action-oriented paper on this topic he has reviewed. It is highly recommended for CIB leaders and their advisors/internal consultants.

To quote from the paper, “*The road to a sustainable future remains open for CMIB banks, but only if they make tough choices and take bold actions now.*”

A worthy winner of our Article of the Month award.



Articles of the Month

The Best Insights of the past 12 months

AUGUST 2016

“Distributed Ledgers in Payments: Beyond the Bitcoin Hype” – Bain

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

Probably the best and most thoughtful article exploring the opportunities (and threats to incumbents) of distributed ledgers in payments that we have read for some time, and well worth reading.

The report predicts a range of developments focused on international payments and provides some detailed insights into how correspondent banking and trade finance might embrace digital ledger technologies.

The report also touches on implications for domestic payments – as yet a little way off, but if realized, of profound consequence.

A thoroughly well-deserved ‘Article of the Month’.

JULY 2016

“Empowered for the Future” – KPMG

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

The longest general insurance article – at 20 pages – on one of the least considered topics in the insurance sector insights this year. It is a real transformational change piece – starting with a bold statement that most work in this area does not achieve objectives and the T-word is even being banned in many organizations – which then focuses on reinvention. A global survey based piece, rich in data and examples, it revisits the strategic case for more than incremental changes given global disruptors. The classical roadmap and KPMG credentials for insights and programme delivery round out the article.

In terms of challenging questions and considered case examples and insights, this is the best article your reviewer has read regarding changes needed – and the roles of both collaboration (again!) and empowerment of leaders to deliver. It is recommend to all executives and internal consultants as the one to read this month, and is therefore a worth winner of our coveted ‘Article of the Month’.



Articles of the Month

The Best Insights of the past 12 months

JUNE 2016

“Management Information on Culture” – Deloitte

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

Researchers, analysts, and business leaders have studied and created numerous models of organizational culture. The concept of culture is not new to organizational development. This article outlines 8 principles that companies should use to assess their culture. Deloitte has packaged the concept as Culture Management Information or Culture MI. None of this is new.

However, what is interesting in this article is the application to financial service firms. The article provides a guide for firms who do not have an emphasis on culture within their current business environment.

It provides a framework for those who want to understand, assess, and manage their culture, and it can be adapted globally to respond to different regulatory bodies.

MAY 2016

“BCG Technology Advantage” – BCG

[VIEW PDF \(48 PAGES\)](#)

The closest thing to a Mini CIO MBA, this is 46 pages but definitely worth reading.

Ralf and team are on tune with their insights on what really matters. Yes, this is slightly financial services-orientated, but clear lessons for all CIOs to take note of.

Do yourself a favor and read this one – our joint winner of ‘Article of the Month’.

“The Six Signature Traits of Inclusive Leadership” – Deloitte

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

It is not hard to be impressed by this insight. Deloitte has pulled out all stops to ‘future back’ the leadership traits that will future-proof your career and CEO potential. The article is in three sections – the first nicely argues for the second – but those short on time can skip what is a generously interpreted set of mega trends that support the need for new leadership traits. The second section identifies and defines the six new traits and 15 supporting elements, which are convincingly argued and differentiated from mainstream thinking. The third short section talks to implementation, so we suggest internal consultants and their executive clients turn to section 2.

A worthy joint winner of our insight of the month award!



Articles of the Month

The Best Insights of the past 12 months

APRIL 2016

“World Insurance Report 2016” – Capgemini

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

A data-rich, 54-page production with 30 pages of report supported by a wealth of country snapshots as appendices – from Australia to the United States – with the authors working closely with EFMA as research supporters.

The two-chapter report condenses a massive 15,000-plus ‘voice of customer’ survey looking at motivations, habits, preferences, and behaviors across 30 countries and synthesizes the outputs into two bold and interlocking summations. 1. “Gen Y experience suppresses global improvement in customer experience”; and 2. “Connected technologies threaten traditional insurance models”. The proposition for readers being that Gen Y and the Internet of Things present a potent mix for insurers. Probably hard to disagree with this – but the article does flesh out both sides of this view in some detail and gives a ‘currency check’ by market.

Bringing in themes and views on many related articles over the last 12 months (mainly the multitude of digitalization pieces), your reviewer considers this a must read for anyone looking at the future dynamics of consumer insurance.

This larger insight is a worthy winner of our ‘Article of the Month’.

MARCH 2016

“Blockchain-Enabled Distributed Ledgers: Are Investment Banks Ready?” – Accenture

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

Excellent article by Accenture, hones in on the CIB as the sector to lead the charge to redefine the operations and economies of the financial services industry via the development of blockchain technology. As such, this is an article of relevance to all in financial services and not only those interested in CIB.

In the context of capital markets the benefits of blockchain technology are clear and appealing and include:

- Faster settlement times that are user optimized
- Lower collateral requirements and counterparty risk
- Improved contractual term performance
- Greater transparency for regulatory reporting
- Better capital optimization.

However, the challenges are myriad and in the topic areas of: privacy, security, scalability, latency, implementation and governance. Notwithstanding these, a timeline is posited with 2016-17 the period for early adopters.

As the title probes, “Are Investment Banks ready?”.



Articles of the Month

The Best Insights of the past 12 months

MARCH 2016

“Is Gender Diversity Profitable? Evidence from a Global Survey” – IIE

[VIEW PDF \(35 PAGES\)](#)

The Peterson Institute for International Economics has sponsored global research into gender diversity. The authors present a compelling case for scrutinizing the benefits of gender diversity.

In their Working Paper Series which surveys 22,000 companies from 91 countries worldwide, they challenge the assumption that gender diversity automatically equates to improved business performance.

Their findings reveal a complex picture of global comparisons worth examining in detail. For example, they find no impact of board gender quotas on business performance. However, they do find significant payoffs of policies that facilitate women rising through the corporate ranks that contribute to women's leadership roles.

If you want to educate yourself about statistically significant issues in the gender diversity conversation globally, then you should read this article carefully.

FEBRUARY 2016

“Revealing the Chief Strategist’s Hidden Value” – Roland Berger

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

Roland Berger continues to impress with this authoritative and nicely produced JV insight with the University of St Gallen.

Drilling into the role description and measurement metrics of the chief strategy officer, Roland Berger finds more coordination and use of externals than you might expect – along with very poor means to measure effectiveness of people who are in the role for very short tenures. The report also includes some basic benchmarking data on size of internal strategy teams.

A shame the authors didn't look at how best practice strategy teams and their clients are augmenting their own capabilities with fit-for-purpose unbundled components from the global ICG platform.



Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2015 – JANUARY 2016

“Beyond Bitcoin: Blockchain is Coming to Disrupt your Industry” – Deloitte

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

A billion dollars in venture capital has flowed to more than 120 blockchain-related start-ups, with half that amount invested in the last 12 months.

This is just one of the insights in a very interesting article about developments in blockchain, which covers not only the potential impact for traditional payments, but also touches on some of the potential applications across multiple industries as diverse as Telecommunications, Healthcare and Energy.

A worthwhile and thought-provoking read for almost every reader of *The Insights Review*.

DECEMBER 2015 – JANUARY 2016

“Tomorrow Never Dies: The Art of Staying on Top” – BCG

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

A timely, important, and ‘in-character’ refresh of Henderson’s original BCG-founding framework.

The key insight is that in the 60s you could use market share scale to gain cost advantage. In 2016, you can’t afford to just milk large cows; the most rewarded companies are ones that milk cows and find new stars at the same time.

The advice to internal consulting teams reads like a laundry list driven more by the availability of archetypal case studies than a collectively exhaustive suite of actions, and includes:

- Portfolio component strategy needs to be aligned to its specific sector maturity level;
- You need a good star-search program (emergent test, learn, and expand)
- Our favorite: explore ways large incumbents can use their considerable resources to shape industry evolution and set the rules of the game, especially in new ecosystem plays;
- The need to milk and star-search at the same time – be ‘ambidextrous’; and
- One which is fuzzy but is a mix of how leaders tell a complex strategy story with some coherence and the way they help staff deal with the mild confusion of all of the above simultaneously.

Exhibit 4 is a stand out strategy framework and one to add to every internal consultant’s tool kit.


A must read for internal strategy teams.



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Candidate insights are compiled by an expert team of researchers. Reviews are written by partner-level subject matter experts from our industry and functional practices.

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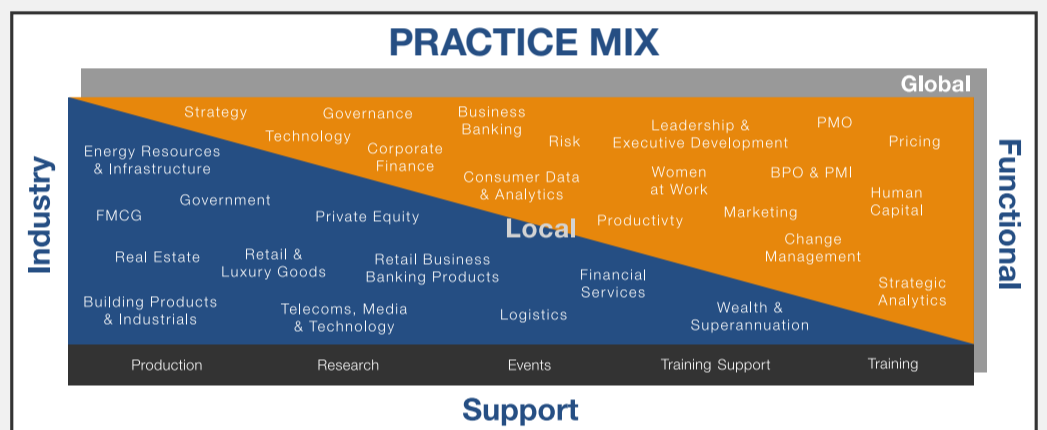
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

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REVIEWS OF THE WORLD'S LEADING INSIGHTS

MARCH 2017