

November 2014

# The . Insights Review

## Financial Services Edition

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Featuring:

- General Strategic Interest
- Retail & Business Banking
- Payments
- Corporate & Institutional Banking
- Wealth & Asset Management
- Insurance

- Strategy & Transformation
- Corporate Finance / M&A
- Regulation & Compliance
- Corporate Governance
- Human Capital

- Finance & Risk
- Marketing & Customer Experience
- Operations & Change
- Strategic Analytics
- Technology

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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 consultants are exposed to the widest range of high quality ideas, techniques and methodologies developed across the management consulting industry globally.

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

## Access to Full Reports

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

Links are current at time of publication.

## 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:

- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte, Touche & Tohmatsu
- Ernst & Young
- FMCG
- IBM
- KPMG
- McKinsey & Company
- Oliver Wyman
- Promontory
- PwC
- Roland Berger
- Strategy&

# A Message From the Editor

Just in time for the holiday reading list – November is another traditionally rich month for insights and this is no exception. Our world-class research team and reviewers have highlighted the very best articles from around the globe, many of which will have you itching to get back to work to implement some of the ideas.

Our article of the month is “Consumerized Employee Experiences Can Boost Workforce Productivity” – Accenture. Congratulations to the well-deserving authors.

Some of our favorites include:

- AT Kearney – “Cracking the Unsolved Mystery of IT”;
- Accenture – “Moving Beyond Listening & Monitoring: Social Media Marketing for Financial Services”;
- Bain – “Decision Insights: How to Be a Better Boss”;
- BCG – “Making More Money from Data”;
- BCG – “When the Growing Gets Tough, the Tough Get Growing”;
- BCG – “Decoding Global Talent”;
- Capgemini – “Asia-Pacific Wealth Report 2014”;
- Deloitte – “Information Rich, Knowledge Poor: How Might Insurers Resolve Their Data Conundrum?”;
- EY – “Rethinking Private Banking in Asia-Pacific”;
- KPMG – “Unlocking the Potential: The Fintech Opportunity for Sydney”;
- McKinsey – “Global Payments 2014: A Return to Sustainable Growth Brings New Challenges”;
- McKinsey – “Accelerating Growth and Profits in North American Commercial Banking”;

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- PwC – “Stand out for the Right Reasons: How Financial Services Lost Its Mojo – & How It Can Get It Back”;
- PwC – “Cure for the Common Culture: How to Build a Healthy Risk Culture”; and
- Strategy& – “The 2014 Global Innovation 1000: Proven Paths to Innovation Success”.

We trust you will enjoy this month’s edition and welcome any feedback you may have at: [david.moloney@internalconsulting.com](mailto:david.moloney@internalconsulting.com).

**David Moloney**

Global Editor

## GENERAL STRATEGIC INTEREST

### ***“The Most Innovative Companies 2014: Breaking Through is Hard to Do” – BCG***

[View PDF \(28 Pages\)](#)

Ninth annual survey and benchmarking results of 1500 senior innovation executives (across industries) and the top 50 most innovative companies globally (none from FS but several are entering). As an industry, FS is spending less and not targeting big data as a source of innovation when we should. The key non-obvious messages are that customers adopt digital innovations ahead of companies, and the best innovators spend time innovating business models as well as products and services.

### ***“Stand out for the Right Reasons: How Financial Services Lost Its Mojo – & How It Can Get It Back” – PwC***

[View PDF \(16 Pages\)](#)

An informative and very generally useful report from PwC on a recent survey of 2015 UK adults. It covers some old ground that customers are apathetic and need high incentives to switch, but reinforces the role of service, online functionality, and other non-price indicators of switching behavior.

To regain trust, the sample pointed to transparency, codes of conduct, remuneration and internal governance over more information and competition.

Importantly, it highlights that banks are one of the most trusted holders of data, an important foundation and leverage point for the future as personal vaults and an outcomes orientation (personal financial management tools and benchmarking) become more important.

## **KAR – Best Practices in Relationship Management**

Best Practice Relationship Management across Financial and Non-Financial Services • 113 pages.

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## ***“Brisbane G20 Summit: A New Agenda for Financial Services” – KPMG***

[View PDF \(24 Pages\)](#)

KPMG’s contribution to the policy debate on global banking provides a useful summary of the G20’s role in regulatory reform juxtaposed with KPMG’s own view on each issue.

For bank C-suites and internal consulting teams, this provides a useful checklist (see page 9) of the role individual banks play in their own economy to contribute to the G20’s goal of a 2% uptick in GDP over the next five years.

Similarly, page 19 is a useful picture of the work the G20 is coordinating across financial regulatory reform.

A useful resource for those seeking clarity of understanding of the global reform agenda and a point in time summary of the issues.

## ***“A Blueprint for Addressing the Global Affordable Housing Challenge” – McKinsey***

[View PDF \(212 Pages\)](#)

A typically comprehensive report by McKinsey into this very large-scale issue and opportunity. Worth a skim for those with a desire to help the marginalised find access to the property ladder, however provides few new rungs on the property ownership ladder except the well-known ones such as increasing the supply of land, industrializing high density housing construction, and deploying developed country intermediated financing models.

For our readers, there is little new insight except for a useful case study on public-private funding (Cosmo City in Johannesburg), and an implicitly elaborated taxonomy of the various levers that are available (from mortgage guarantees to shared equity).

We suspect that if involved, McKinsey’s FS practice might have suggested ratcheting term deposit interest rates as a tenure bonus is a bad pricing idea, and further highlighted closed loop funding models like Danish Mortgage Bonds as the world looks for better ways to match fund long dated liabilities and assets.

## RETAIL & BUSINESS BANKING

### ***“Retail Banking: Are Banks Prepared for a New Turning Point in the Retail Banking Landscape?” – Roland Berger***

[View PDF \(8 Pages\)](#)

Roland Berger’s article serves to showcase its “Retail Banking Wheel”, a new framework and tool for analyzing retail banking industry trends. The article includes light coverage of disintermediation and digitization as trends, but there are few fresh insights here for the time-poor banking executive.

### ***“Rethinking Private Banking in Asia-Pacific” – EY***

[View PDF \(24 Pages\)](#)

EY provides a neatly packaged synopsis of the current state and imperatives for private banking in the Asia-Pacific region.

Asia-Pacific is the highest growth region for private banks and is soon to overtake North America as the largest market for HNWIs. However, revenue growth is not equating to profit growth. Circumspect and price-sensitive customers, high cost-to-serve RM models, escalating compliance costs, and hefty technology investments constrain margins and profitability.

The solutions outlined are fairly boilerplate with a lack of any rich case studies to offer inspiration – apart from a passing reference to DBS working with IBM’s Watson Engagement Adviser to enable customized advice from big data analytics.

A couple of interesting factoids: Asia-Pacific clients lead the world in their preference for digital contact over direct contact; and private banks will need to invest 1-3% of revenues to build their digital capability.

## KAR – Digitisation of Retail Banking

A comprehensive review of recent strategic thinking around the impact of digitisation on retail banking • 138 pages

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## PAYMENTS

### ***“2014 North America Consumer Payments Survey” – Accenture***

[View PDF \(20 Pages\)](#)

This article reports on Accenture’s second payments survey of 4,000 consumers in Canada and the United States, completed in August 2014. The survey highlights five key findings and provides some analysis and commentary on each.

The survey details how consumers pay today and how they expect to pay in the future.

The chart on page 5 ranks payment types by current usage and – not unsurprisingly – highlights that there will be some decline in traditional payments (although interestingly shows that cheque use will be unchanged), while forecasting growth in emerging digital currencies and mobile payments.

On mobile payments, Accenture report that 72% of consumers say they would prefer to use network (scheme) card companies as their mobile payments providers, concluding that this marks a unique but potentially tenuous moment as other emerging players (including PayPal) are right at their heels vying to become the mobile payments provider of choice.

### ***“Global Payments 2014: A Return to Sustainable Growth Brings New Challenges” – McKinsey***

[View PDF \(32 Pages\)](#)

A data-rich report from McKinsey which forecasts that global payment revenues will grow by 8% per annum through to 2018, reaching USD2.3 trillion. The report claims that growth is mainly being fuelled by volume increases, rather than more volatile revenue margin improvements.

As well as a deep dive into various revenue sources by type and geography, there is interesting commentary on emerging industry disruptions. The report highlights five key disruptors: digital transformation of merchant payments, shift in power from data accumulation to data insights and applications, the advent of non-card real-time payments, acceleration of cross-border transactions, and payments being the cornerstone in the next phase of digital banking.

The report suggests that the next challenge for payments providers will be to develop a deeper understanding of customer needs and behaviors. With the digital revolution opening up opportunities to non-bank competitors, customer centricity, innovation, and a start-up mindset will become critical for banks.

While there are several useful insights, the report is light on the likely impact of regulation and governance. These are key themes addressed, together with customer-led payment choice and disruption to established players, in ICG’s recently published Knowledge Area Review on [\*The Future & Implications of the Evolving Payments System\*](#).

## ***“Transforming National Payments Systems” – McKinsey***

[View PDF \(10 Pages\)](#)

Limited insights on what is a hot topic. For example, this month in Australia, SWIFT has been selected to run the country’s new payments platform. While the article makes a fleeting reference to the planned changes down under and elsewhere around the world, the piece focuses on McKinsey’s six-step framework for making a national payments system more efficient – making it a useful primer for countries looking to embark on their own payment systems, but few new insights for those already on the journey.

The chart on page 29 highlights the need for new payments products and services to address a range of features to drive adoption. The first four of 12 features highlight ‘the need for speed’, but the other eight support McKinsey’s observation that payments improvement programs must yield more than speed alone to make a sufficiently attractive business case.

The sidebar on page 28 comments on the debate about whether new payment systems should support both real-time clearing and real-time settlement, and concludes that there is industry consensus that real-time settlement is a complex and expensive endeavour.

### ***“Accelerating Growth and Profits in North American Commercial Banking” – McKinsey***

[View PDF \(28 Pages\)](#)

A compact (18 page) article by McKinsey that zooms in on the commercial banking sector in North America, but also has insight that is relevant for this sector globally in terms of the five identified levers to boost performance.

The article also defines three distinct business models in existence in commercial banking, which organizations and their advisors may recognise when holding themselves up to this looking glass. The performance in the sector is lumpy with top performers almost twice as productive as those at the bottom, and the three models are proxy across this performance spectrum. This spread of performance is a clear indication that there is likely room to improve.

Those with only a light interest in this sector will be satisfied with an overview of the recommended initiatives to boost growth and profits, namely:

- Optimize pricing;
- Find new sources of growth;
- Improve customer experience;
- Transform the sales model; and
- Build the digital commercial bank.

For those that are committed to the sector, they will enjoy a deeper reading which will bring into focus the winning strategies for today and tomorrow. Excellent work by McKinsey.

## WEALTH & ASSET MANAGEMENT

### ***“Asia-Pacific Wealth Report 2014” – Capgemini***

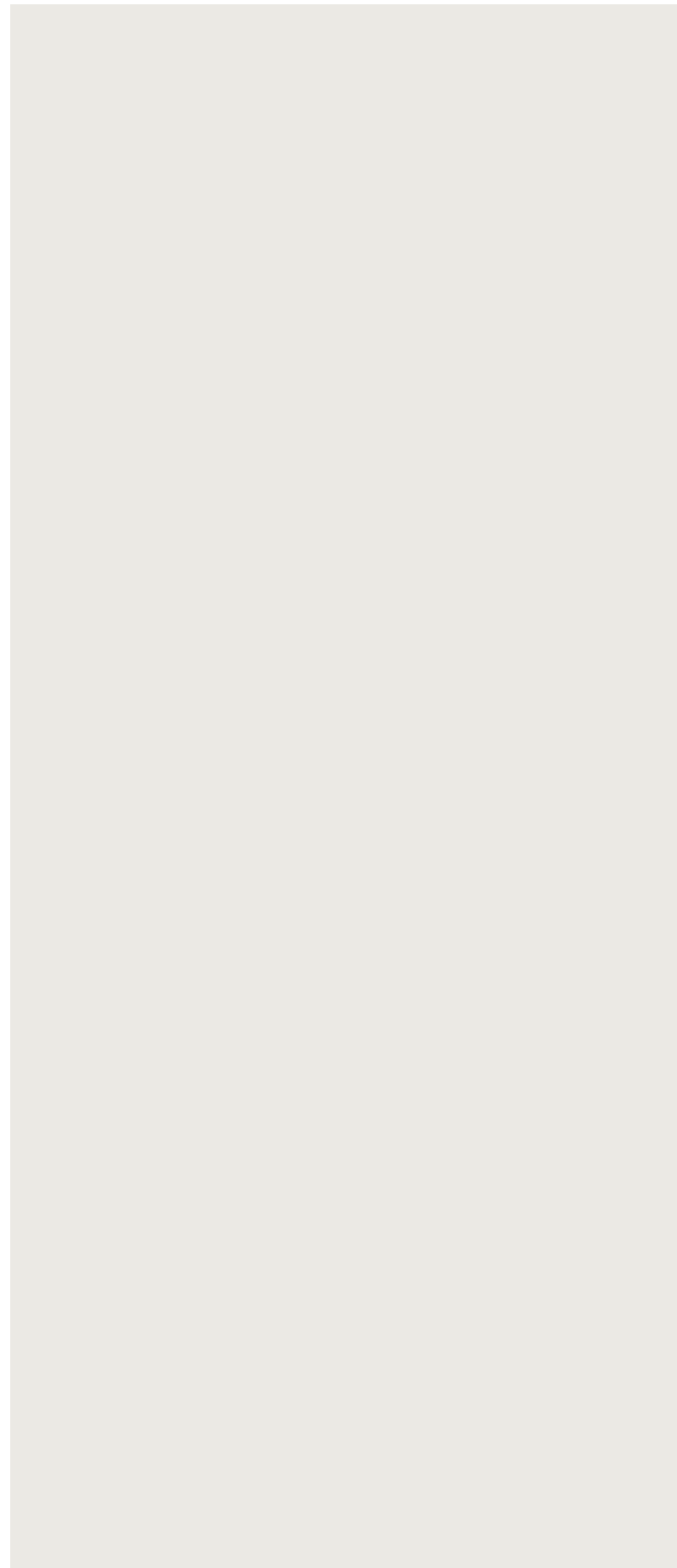
[View PDF \(52 Pages\)](#)

Capgemini and RBC Wealth Management present their annual survey of the Asia-Pacific High Net Wealth Industry (HNWI). This region, as the report notes, is expected to surpass North America in terms of HNWI wealth by 2015.

As well as providing an overview of each country market's HNWI population characteristics, the report also builds up a picture of the issues that matter to Asia-Pacific HNWIs, gleaned through a survey of more than 1300 HNWIs in the region.

The report highlights Asia Pacific HWNI's high demand for digital contact and high levels of trust and confidence in the wealth management industry, as well as their global leadership in driving social impact.

Wealth management industry executives seeking to capitalise on the growth opportunities in the region will find the report a useful addition to their research.



## **KAR – Commercial Insurance Innovation**

The major sources of innovation in commercial insurance from around the world • 63 pages.

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## INSURANCE

### ***“A Roadmap for Winning as Insurance Goes Digital” – BCG***

[View PDF \(7 Pages\)](#)

A shorter, sharper read on same matters as KPMG with a focus on digital in the key areas of operations, go-to-market, and risk. Some hopes in the examples quoted, but only a salutary message around where insurance starts from in the customers eyes around online capabilities. BCG have fuller articles previously reviewed on digital which offer more value to senior executives.

### ***“Transforming Insurance” – KPMG***

[View PDF \(48 Pages\)](#)

A long read synthesizing a number of pieces from KPMG and other houses during 2014, and premised on the digital world of insurance arriving now and the need for insurers to get on board or risk losing global relevance. Nothing new in this – but the bringing together of aspects around culture, risk, governance, and various data analytics opportunities does make this a good reference for the wider consideration of executives. Two good case studies make the subjects more real.

## ***“An Open Road for Life Insurance” – McKinsey***

[View PDF \(1 Page\)](#)

Reminds us that micro- and low-income life insurance hasn't taken off in developing economies, and consequently life insurance as a percentage of GDP is generally higher in developed economies like Australia (4%+) and Hong Kong (8%+). Therefore, as developing economy incomes take off, life insurance premiums in these markets will fuel much of the growth in premiums (as much as 80% of global growth).

A very short yet worthwhile read that provides further context to the above.

### ***“When the Growing Gets Tough, the Tough Get Growing” – BCG***

[View PDF \(9 Pages\)](#)

This is the introductory chapter to a compendium of papers detailing BCG’s latest thinking on driving revenue growth, the key lever for short- and long-term shareholder return according to BCG analysis.

Employing a Jim Collins-like bottom up analysis of long-term revenue growth performance across the S&P Global 1200, BCG distil three growth path archetypes and seven how-to-win levers to deliver sustainable, value-creating revenue growth.

Filled with helpful frameworks and insights, this paper is certainly worthy of a read.

### ***“Driving Growth with Business Model Innovation” – BCG***

[View PDF \(9 Pages\)](#)

Business model innovation – defined by BCG as the process of changing both the value that is promised to customers and how it is delivered to tap into new profit sources – is the sixth of seven how-to-win revenue growth levers identified by BCG in their analysis of global value-creating revenue growers.

Using a classic 2x2 matrix, four approaches to business model innovation are articulated which are complemented with detailed case studies on “reinventor” Schlumberger, “adaptor” Aon Hewitt, “maverick” Red Hat, and “adventurer” Virgin.

Reasonably brief and easily worth the read.

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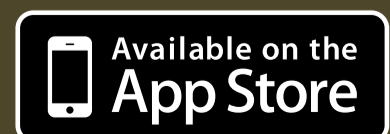
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## ***“The 2014 Global Innovation 1000: Proven Paths to Innovation Success” – Strategy&***

[View PDF \(36 Pages\)](#)

After 10 years of analyzing global trends in R&D spending, Strategy& pause to reflect on the key insights regarding why some investments work, others fail, and the likely shape of R&D investment in the decade ahead.

Perhaps contrary to prevailing convention, the authors found no significant relationship between R&D spending and sustained financial performance. Moreover, a huge amount of innovation spending happens outside of tech clusters and Silicon Valley.

Like so many transformative investments in large, complex organizations, success in converting R&D into commercial innovation is reliant on tight alignment with customer insight, business needs, culture, focus, and executive sponsorship. Three different innovation approaches are also discussed in detail with helpful case examples.

Looking forward, R&D priorities are expected to focus on higher risk investments in service innovation.

Lots to draw from this piece, including some slightly surprising insights.

## ***“Build a Change Platform, Not a Change Program” – McKinsey***

[View PDF \(4 Pages\)](#)

A timely re-imagining of change management which resonates with the key messages on successful strategic execution from ICG’s recent international guest, management science guru Jeroen De Flander. In a succinct and easy-to-read article, the authors articulate three key shifts in approach to transformational change: from top down to activist out; from sold to invited; and from managed to organic. They conclude with five success measures of change platforms.

The article reflects growing demand from our clients for our programs which enable broad organizational involvement in – and ownership of – the strategic change process and a translation of strategy into individual action with the customer at the centre.

### ***“Unlocking Acquisitive Growth: Lessons from Serial Acquirers” – BCG***

[View PDF \(7 Pages\)](#)

Two things we know about M&A:

1. Most fail to deliver the forecast value; and
2. Those that do it more often tend to fail less than the rest.

We declare our bias that we enjoy articles on M&A value-add and this article, while very short, is no exception.

The authors proffer three core areas of focus that, when applied well, produce success more often than not. These should not surprise the reader as they are not new, but do serve as a reminder that success in M&A is a direct result of the planning, effort, and resources that are invested.

### ***“Better Forecasting for Large Capital Projects” – McKinsey***

[View PDF \(7 Pages\)](#)

Not unlike M&A, the success of capital projects is often determined at the planning phase: the accurate assessment of costs and benefits. And yet, despite a sound understanding of the pitfalls, we all continue to make decisions on flawed data.

In a new coverage of this topic, the authors put this down to the presence of psychological biases and inappropriate incentive structures.

While the coverage of the contributors to “delusion and deception” is an interesting read, the suggested remedies were less impressive, with some of the recommendations tending to the commonplace.

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## **“Joint Ventures on the Rise” – McKinsey**

[View PDF \(2 Pages\)](#)

They are not quite as sexy as takeovers, however as this article points out, joint ventures are increasing in popularity and can be an effective mechanism for achieving inorganic growth targets.

While they have their own set of unique challenges, which these authors address in an [article from January](#) this year, JVs should form part of all corporate finance teams' growth strategy considerations.

## REGULATION & COMPLIANCE

### ***“A Holistic Approach to Financial Services Regulations: Four Building Blocks for Better Compliance” – Strategy&***

[View PDF \(16 Pages\)](#)

It is hard not to be harsh on this insight. We all want to be compliant and do so for less while even exploring ways compliance can be achieved with competitive advantage (e.g. by not paving the cow path). Alas, this contains some lackluster thinking with weak frameworks, and some repackaged client work on shared data entities. Only useful to die-hard compliance consultants really wanting to be across everything.

## CORPORATE GOVERNANCE

### ***“Are You Getting All You Can from Your Board of Directors?” – McKinsey***

[View PDF \(7 Pages\)](#)

This short Q&A interview with a veteran director offers great insights on the current corporate board's performance and tips on improving them.

Easy to read and provides logical insights for directors today that serve on large public company boards.

## HUMAN CAPITAL

### ***“Consumerized Employee Experiences Can Boost Workforce Productivity” – Accenture***

[View PDF \(17 Pages\)](#)

A fascinating article that explores the simple idea of treating employees in the same way they are treated as consumers by global best-in-class companies. Put another way, Accenture argues for an ‘employee needs-based’ approach to managing shared services, rather than the typical functional silos that characterise most organizations we are familiar with.

From identifying ‘moments that matter’ and leveraging data and analytics through to providing cross-trained ‘enhanced advisors’ to ‘delight employees’, the authors provide several ideas and examples on how to more efficiently and effectively address common employee needs (such as travelling for business, requiring a new computer, or even taking approved time off) using principles of customer-centricity.

Excellent piece with some real thought-provoking case studies – a must read for any forward-thinking human capital practitioner.

### *Article of the Month*

### ***“Decision Insights: How to Be a Better Boss” – Bain***

[View PDF \(4 Pages\)](#)

Interesting article on decision-making and how successful managers need to delegate decision-making power to their people, which will help managers to spare time and energy on more strategic level issues.

The author argues the need for efficient decision-making cycles and effective implementation to facilitate direct employee engagement and lead to higher productivity.

The article also highlights the need for a decision-making process and clear definition of the different roles within the process to drive the input/output relationship – from information to desired outcomes – with clear emphasis on the importance of guidelines and disciplines to prevent any derailing or unnecessary escalations.

Finally, the author recommends coaching as a learning mechanism to improve the decision-making capability of the people involved, which translates into asking thought-provoking questions to facilitate learning and development.

While useful in some areas, the article falls short in others. In our experience, organizations usually focus on developing decision-making frameworks and skills to use them, but they do not invest enough to explore, diagnose and mitigate the personality prohibiting factors involved in the decision making process; further exploration here would have made for valuable reading.

## **“Bridging the Entrepreneurship Gender Gap: The Power of Networks” – BCG**

[View PDF \(17 Pages\)](#)

The authors argue that the importance of “social capital” (aka networking) for women isn’t well understood. They offer a structured framework for networking based on the “Three I’s: Intent, Inclusion and Interaction” that is designed to enhance the likelihood of success and close the gender gap in economic opportunity.

The article offers a summary of interviews with key decision-makers in 13 global organizations dedicated to helping female entrepreneurs. While the framework is interesting, it does not provide enough pragmatic solutions for this target group.

For those interested in this topic, you may instead consider reading [\*Understanding Women’s Social Capital – 2005 Global Exchange Forum Report\*](#) or the World Bank’s special focus report on [\*Social Capital & Gender\*](#).

## **“Decoding Global Talent” – BCG**

[View PDF \(27 Pages\)](#)

Imagine asking 200,000 people from 50 countries around the world what they think about a number of workforce topics, from what they expect of their jobs through to what would prompt them to move to another company for work (and which country that would be). The result is this fascinating survey from BCG and The Network.

Too many insights to summarize here, the article is worth a quick skim at least, or better yet a deep read for anyone interested in understanding the dreams and desires held by global talent and, importantly, the implications for economies, companies and individuals.

## **KAR – World Class Customer Retention**

The strategic journey to achieving world class customer retention management • 106 pages.

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### ***“Five Myths (& Realities) About Zero-based Budgeting”*** **– McKinsey**

[View PDF \(4 Pages\)](#)

A frustratingly opaque and repetitive article that doesn't say a great deal but says it often. Absent prior knowledge, the reader is left wondering how zero-based budgeting differs from traditional budgeting processes and what, precisely, is involved.

### ***“2014 Risk Management Survey of Major Financial Institutions: Shifting Focus – Risk Culture at the Forefront of Banking”*** – EY

[View PDF \(86 Pages\)](#)

Decidedly not light holiday reading! Weighing in at a lengthy 81 pages of densely packed information, this article tends distinctly towards the *War & Peace* end of *The Insights Review's* spectrum of articles.

Presenting an overview of the findings from EY's 2014 survey of 52 institutions across 27 countries, there is a great deal of useful information and insight contained in this document, but it is not a quick or easy read. It could certainly have benefitted from the inclusion of some frameworks to consolidate and synthesize the findings and recommendations.

While it *is* worthwhile reading, for those who do not have time to read the full text, the paper is structured according to ten key topics which are highlighted and crisply summarized in the survey findings overview section on pages 3-6. The remainder of the paper then examines each of these individually in further detail, allowing the reader the opportunity to skip ahead to the topic of their choice or digest in several sittings.

The ten topics covered are:

1. Risk culture;
2. Risk appetite;
3. Risk governance;
4. Operational risk;
5. Stress testing;
6. Liquidity management;
7. Capital management;
8. Impact of Basel III;
9. Recovery and resolution planning; and
10. Internal transparency, data and systems.



## ***“Cure for the Common Culture: How to Build a Healthy Risk Culture” – PwC***

[View PDF \(31 Pages\)](#)

A thorough and well-researched paper based on a survey of 504 banking executives across six countries aimed at understanding their views on the severity of risk culture shortcomings, causes, and potential solutions.

This paper goes beyond a discourse of survey results to describe five key themes:

- Create a true seat at the table for the risk function;
- Establish a walk-the-talk risk culture — from top to bottom;
- Make change stick through better incentives and consequences;
- Create more integrated, real-time reporting;
- Develop a consistent global approach to risk management across regions;

Rather than simply leaving it there, the paper goes on to deal extensively and pragmatically with the “how” in the form of a six-pillar framework. Leadership teams would not be ill served by adopting the recommendations as a blueprint for implementation in their own organizations.

While the paper deals with risk in banking, this is worthwhile reading for C-suite executives across the widest possible range of industry sectors. The insights and recommendations may be usefully considered and applied in arguably all companies.

### ***“Moving Beyond Listening & Monitoring: Social Media Marketing for Financial Services” – Accenture***

[View PDF \(12 Pages\)](#)

A critical article for most in banking. It is perhaps one of the first to provide such a comprehensive set of concrete case studies and example initiatives relating to social media that relate specifically to banking. Internal consulting teams will like Figure 3, which provides an early but comprehensive taxonomy of social media tactics and their likely impacts.

Business readers will like page 3, which lists social media banking innovations which are achieving results – such as allowing interested customers to join live discussions on topics of interest.

Worthy reading for all who are not experts in this field.

### ***“One Branding: Uniting the Employer, Corporate, & Product Experience” – BCG***

[View PDF \(17 Pages\)](#)

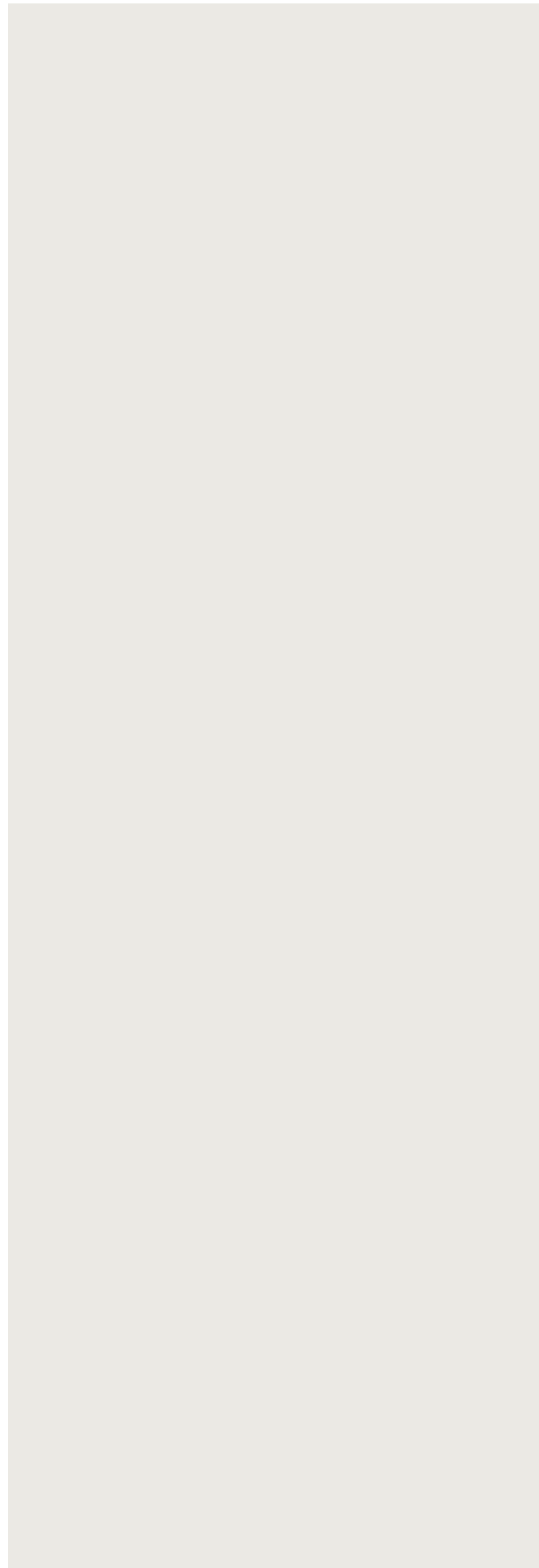
Some very nice work from BCG as they elaborate on the idea of ‘One Branding’. Using a Venn diagram which overlays Corporate, Product Services or Retail branding (we think “Customer”) and employer branding, they identify the notion of one brand as a way to ensure coherence and alignment of goals. While financial services might benefit from a regulator branding set, we imagine internal consulting teams will welcome the broader perspective and powerful Adidas case study.

## ***“Looking at the Bank from the Customer’s Point of View” – EY***

[View PDF \(20 Pages\)](#)

Based on a large global survey of retail bank customer experience, this report is long on survey sample findings and short on insights. A few emerge, such as a 8%-38% of customers would use video chat from home or work to get advice and banks “need to embrace more sophisticated interaction techniques such as network building, co-creation and personalization”. It would be good to know what they meant by the first two, however, they appear as a throw away comment.

The article ends well with some strong empirical evidence for making a good recovery from a problem, i.e. advocacy can be higher after recovering from a problem than if the problem had not occurred in the first place.



## OPERATIONS & CHANGE

### ***“A Higher Bar” – Bain***

[View PDF \(12 Pages\)](#)

A rare insight on the question of how to improve the operations of the legal function. It is also rare for this house to drill down on such a focused issue when they have made their name in broad-based transformation. Thankfully, this is not simply regurgitated strategic sourcing frameworks but rather a solid fusion of legal function specific framing (how to handle intellectual property and increasing litigation risks) with how to evolve a functions architecture (decision frameworks for when to insource, outsource or automate) and some sourcing and realignment of a function to be more strategic. All in all, an admiral contribution to the field and essential reading for internal consultants wanting to (or asked to) run the ruler over this less understood but critical function.

### ***“Building a World-class Global Procurement Organization” – Bain***

[View PDF \(12 Pages\)](#)

This insight should be titled: *A Disguised Bain Case Study/Advertorial on How to Build Better Global Procurement Coordination in a Global Company*. For executives and internal consultants who are not worried about global procurement coordination, it has two highlights: Figure 3, a textbook procurement optimization process; and Figure 4, an incredibly simple but powerful framework for deciding on decision rights.

## KAR – Best Practices in Shared Services

Examined by function, benefits/pitfalls, best practices, trends and value creation sources • 128 pages.

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## ***“Making More Money from Data” – BCG***

[View PDF \(5 Pages\)](#)

A fascinating little article from BCG that also doesn't match its title, which should be: *How to Optimise Pricing for B2B Information & Data Service Companies*. Therefore, this article will be of most use to FS procurement people and internal consultants worried about how to deal with their increasing needs for these services in a cost-effective way.

### ***“Information Rich, Knowledge Poor: How Might Insurers Resolve Their Data Conundrum?” – Deloitte***

[View PDF \(3 Pages\)](#)

A short gem of an article from Deloitte which will help any internal consultant (not just those in insurance) wondering how they will start to fix their data management to insight gap. The article contains an excellent maturity rubric (qualitative benchmarking framework) plus a road map as well as the first joke we have seen in an article – and it really works. Hats off to the brave author who got this through the publication governance model.

## TECHNOLOGY

### ***“Unlocking the Potential: The Fintech Opportunity for Sydney”*** **– KPMG**

[View PDF \(166 Pages\)](#)

A comprehensive 166-page report on realizing the latent potential of Sydney to be a Fintech innovation hub in the Asia-Pacific. Its data and recommendations have led the NSW State Government to announce the establishment of the Financial Services Knowledge Hub in Sydney, which includes collaborative knowledge networks and a physical co-working space for Fintech start-ups modelled on Level39 in London.

The report presents a survey of Fintech innovation centres and activity around the world, including London, New York and Silicon Valley, as well as emerging centres such as Dublin, Berlin, Tel Aviv, Singapore and Hong Kong. It defines “Fintech” to mean “financial services technology”, but what is meant is innovation in products, services, and business models enabled by technology and data.

The report begins with a recap of how digital technology, changing consumer behavior and entrepreneurs are disrupting financial services business models. It gives examples of how incumbent institutions around the world are responding, for example by establishing incubators, accelerators, and corporate venturing funds, and participating in collaborative programs with start-ups and other players. It then profiles the industry structure and environment of selected financial centres and their levels support (i.e. talent, business environment, investment, government policies, and incentives) for start-ups.

These levers and gaps are of course the topics of interest for the report’s intended audience of regional economic policymakers and local government leaders. Also included are selected case studies and profiles of Fintech start-ups, incubators, and accelerators in each centre, particularly Sydney.

For readers outside Australia, the most interesting things in the report will be the survey of Fintech innovation centres and models developing around the world. Some may also be interested in the improved opportunities for collaboration and investment with start-ups and established players in Sydney.

Additionally, for readers in Australia, the report raises questions of how to play in this state-sponsored Fintech innovation ecosystem, collaborating with researchers, start-ups, investors, suppliers, and competitors, as well as government agencies concerned with the vitality of Sydney as a world financial centre. Investment in developing organizational capabilities for partnering will be required.

## **KAR – Digitisation of Business Banking**

How does/could digitisation affect business banking? • 84 pages.

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## ***“Cracking the Unsolved Mystery of IT” – AT Kearney***

[View PDF \(13 Pages\)](#)

Ignore the title – this is about IT to Business alignment. Ever since Venkatraman and Henderson’s seminal paper, both sides of this partnership have been seeking better ways of optimizing alignment. AT Kearney present some helpful new ideas including: the notion of Hyper Evolution, a taxonomy of traditional ways of managing demand, and their own six--step framework. While at this level many ideas are not new, they are neatly packaged so a useful source of framing and ideas for internal consulting teams.

## ***“The Rising Stars in IT Outsourcing” – AT Kearney***

[View PDF \(10 Pages\)](#)

Journalistic treatment of the global soccer league of IT outsourcing. In the premier league, Mexico and to a lesser extent China now challenge India. In the second division, Malaysia’s lead is being challenged by the Philippines and the rising star, Poland. In the third division, Bulgaria, Brazil, and Egypt continue to impress, and in the fourth division, Thailand and Indonesia dominate a group of lesser-known suppliers such as the Czech Republic.



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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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# About ICG

## The ICG Business Model

ICG is one of the world's fastest growing consulting and project services firms. We operate unique talent hubs around the world, which unite the alumni of the world's leading consulting firms, universities and employers, along with subject matter experts and leading boutiques.

We are uniquely positioned to offer clients any permutation of expertise and experience in almost any field, with a level of competence and value that exceeds that of traditional consulting alternatives.

Our business model is consistent with future models of work: it brings together adhocracies (temporary project-based teams that capture opportunities, solve problems, and get results) and facilitates expertise and capacity augmentation. Our model is based on three key tenets: transparency to clients and affiliates; opt-in participation by all stakeholders; and a market-based model to ensure the very highest talent quality.

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- Unbundled Research Services – desktop reviews to detailed drill downs
- Unbundled IP and Methodology to support your projects – from templates to full how-to manuals
- Project Services and Benefits Realization – team configuration from 1 to 100 through to full program management, under your brand, or ours (or both)
- Capability Building – consulting training and benchmark-driven improvement of your internal consulting and project services
- Synthesis of domain knowledge in any topic area – our unique Knowledge Area Reviews (KARs)
- Reviews of all published articles by the leading consulting firms – our ICG Insights Review.

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## Mission & Vision Statement

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

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

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

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Our Insurance Broker is Marsh – they have developed market-leading insurance solutions for our affiliates and secure ICG's access to Professional Indemnity Cover and Public Liability Cover at levels required by our clients.

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We maintain a full suite of detailed due diligence materials for those clients and partners wishing to explore major contracts with us.

## Further Information or Enquiries:

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