



# THE INSIGHTS REVIEW

---

© Internal Consulting Group Pty Ltd 2018

## IN THIS ISSUE

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

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

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

## 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.

## 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.

## Access to *The Insights Review* Archive

ICG has developed a significant library of curated reviews and has made these available to executives and internal consultants as a complimentary platform resource.

To access this library please click [here](#).

## Advertising & Co-Branding

ICG prepares *The Insights Review* for its professionals and their clients as an aid to their career effectiveness and development. Each month, it is sent to over 100,000 financial services executives around the globe. It is also co-branded and sent to thousands of executives belonging to leading professional associations.

If your organization would benefit from redistributing, co-branding, or appropriate exposure in *The Insights Review* then please contact ICG at [production@internalconsulting.com](mailto:production@internalconsulting.com)

## Insight Sources

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

- ACC – The Association of Corporate Council
- Accenture
- AT Kearney
- Bain
- BCG
- Capgemini
- Deloitte
- Ernst & Young
- FMCG
- Huron Consulting Group
- IBM
- King & Wood Mallesons
- KPMG
- L.E.K. Consulting
- Macquarie University
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



# Message From the Editor

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

After many requests, I am now going to try and include an original idea or perspective every edition. This month, I share what I think is a new idea: Transformation As Usual (TAU). This expression is designed to replace the increasingly anachronistic acronym BAU – and to wake up your troops to the idea that the pace of change, now at unprecedented levels, will only ever accelerate. So, let's shift our corporate mind sets from BAU to TAU.

In line with this theme, this month's 'Article of the Month' is reviewed by Michael Roch and describes the transformative changes occurring in the labor market, as well as some of the ways we need to change our corporate models to respond.

[Labor 2030: The Collision of Demographics, Automation and Inequality – Bain](#)

Happy internal consulting, and don't hesitate to drop me a line and tell me how you are using Transformation As Usual (TAU)!

**David Moloney**  
Global Editor



**David Moloney**  
Global Editor

## About

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



**THE  
INSIGHTS  
REVIEW**

## Cross-Industry Functional Topics

<b>Strategy &amp; Transformation</b>	06
<b>Human Capital</b>	07
<b>Risk &amp; Compliance</b>	09
<b>In-House Legal</b>	10
<b>Marketing &amp; Customer Experience</b>	11
<b>Technology</b>	12
<b>Operations &amp; Change</b>	15
<b>Innovation &amp; Disruption</b>	16
<b>Payments</b>	17
<b>Cyber Security</b>	18

## Industry-Specific Topics

<b>Macro Financial Services</b>	22
<b>Retail &amp; Business Banking</b>	24
<b>Fintech</b>	25
<b>Corporate &amp; Investment Banking / Institutional Markets</b>	26
<b>General Insurance</b>	27
<b>Ecosystems</b>	28

## Special Feature | Contributors | About ICG

<b>The Best Insights from the Past 12 Months</b>	29
<b><i>The Insights Review Team</i></b>	30
<b>An Introduction to Internal Consulting Group</b>	31



# Cross-Industry Functional Topics

In this Section

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



Cross-Industry Functional Topics

## Strategy & Transformation

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

### “Strategy to Beat the Odds” – McKinsey

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

If you liked From Good to Great, The Delta Principle or the Alchemy of Growth, then this insight is for you. Three McKinsey partners ambitiously dissect the economic-profit-generating performance of the world’s large companies in order to guide successful strategy formulation.

The key takeaways are: size isn’t everything, that your chosen industry matters a lot, and that changing your performance position is pretty rare. Looking at the movers, the authors conclude 10 levers make the difference. These can be categorized as endowment (size, debt levels, and R&D history explain 30%), trends (tail or headwinds, and exposure to fast growing geographies explain 25%) and growth moves explain the remaining 45% (programmatically M&A, dynamic capital re-allocation, strong capital expenditure, productivity improvement, and improvements in differentiation).

Your reviewer especially liked Exhibit 1 – a killer chart exposing management’s annual persistence with overly confident ‘hockey stick’ plans. You can imagine it forming part of many internal consulting team diagnostics going forward.

The insight is a “CliffsNotes” for the book, but strangely deep-dives into the well-known human biases which confound good decision making before revealing the authors’ particular formula for success.

### “Digital Common Sense & Why Speed is the New Scale” – BCG

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

This insight re-packages most of the things you have ever read about digital transformation, so doesn’t have much that is new for our regular readers. However, it does tell the end-to-end story of how to structure a digital transformation in three sections:

- the digital wake up call, which is launch advertorial for BCG’s digital use cases (structured under a re-interpreted IT enabled transformation framework from Henderson and Venkatraman);
- how to create the digital transformation plan: this consists of a lighthouse view of the future, re-interpretation of the products and services through a customer lens, re-engineering of processes end-to-end via customer journey methodologies applied through an agile methodology, and then an approach to industrializing and scaling the approach; and
- how to get started, build momentum, and be persistent.

Not a stand-out article, and overly peppered with BCG insight flashbacks, but well worth a skim and a worthy addition to the internal consulting team’s library. **lr**



Cross-Industry Functional Topics

## Human Capital

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

### ARTICLE OF THE MONTH

#### “Labor 2030: The Collision of Demographics, Automation and Inequality” – Bain

[VIEW PDF \(68 PAGES\)](#)

Bain’s Macro Trends Group provides an extensive impact analysis of three converging trends: aging populations, the adoption of new automation technologies set to eliminate 20%-25% of jobs, and rising inequality. This contribution is a long read consisting of six chapters – three on the above trends, and one each on how this convergence unfolds in the 2020s with government’s inevitably increasing role in the marketplace, and implications for leadership teams navigating this new environment.

Bain makes one of the most compelling cases we have seen about this convergence, about the fact that automation is not just a fad trend, and about why senior leadership teams need to take this trend seriously – and do so now, not just in five years’ time. The impatient reader could quickly scroll to Chapter 6, where Bain provides implications for what this tangibly means for business.

We conclude that this is one of the best thought pieces of Q1 2018. It’s not a quick read, and not one filled with a convenient, practical to do list. Yet every CEO and CHRO should curl up with this, either next weekend or latest during the next reading vacation break.

#### “Net Promoter for People: Give Employees a Voice, Get Their Best” – Bain

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

Bain’s article explains how its Net Promoter method, when applied to employees in the same way as to customers, can help companies gain a holistic view about the health of the relationship to their employees.

The article shows how the Net Promoter system seeks and obtains employee feedback, and how it is used to create inspired employees who, so the idea goes, will become more inspired promoters and thereby create internal and external value – rather than becoming distractors who destroy value.

The article makes the point that the key to everything is an inspired employee, and it summarizes the five factors that make for one. What we didn’t understand was just how the Net Promoter method – undoubtedly a valuable tool – exactly helps engender this inspiration.

We see the value in applying Net Promoter principles to employees, and we understand the critical importance of inspiration. Read these two aspects of the article, yet reach your own conclusions about how you might tie the two together in your company.



Cross-Industry Functional Topics

# Human Capital


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

## “Explore New Talent Pools: Embrace the Opportunity from Skilled Legal Immigrants” – Oliver Wyman

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

Oliver Wyman’s article focuses on how Skilled Legal Immigrants (a special US visa category) can help overcome the US’ talent shortage – yet its application could reach beyond the US and be applied to overcome any diversity challenge.

The article explains the shortage of skilled jobs in the US, outlines the opportunity, and ties the virtues of a diverse workforce into the discussion. It is here where the true value of the article reaches beyond its narrow title: it makes sound, step-by-step recommendations about how any company should structure its hiring process to increase the chances of “diverse” candidates getting hired. This includes an articulation of known biases, interviewer selection, and interview quality control.

While some of the article must be read outside of its narrow context, it’s a well-done read for any CHRO looking to increase workforce diversity. 





## Cross-Industry Functional Topics

# Risk & Compliance

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

## “We Need To Approach AI Risks Like We Do Natural Disasters” – Oliver Wyman

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

Oliver Wyman’s article evaluates the risks associated with the growing Internet of Things (IoT) and advancements of Artificial Intelligence (AI). In 2017, the economic loss from natural disasters reached \$330bn. A disaster relating to interconnected devices and AI may incur an even higher economic loss. More importantly, due to the interconnectivity of devices, such a disaster may be less controllable since it would involve a large number of companies and households across the globe.

The article suggest that insurers should – and partially have already – started to share their disaster preparation, prevention, as well as recovery expertise with other companies and governments. Furthermore, government should regulate the development of advanced AI systems and intelligence devices to reduce the risks of a widespread meltdown.

The article not only highlights the risks associated with interconnected devices and advancements in AI, but also provides insights regarding how the risks can be managed. It is a recommended read for all. **lr**



## Cross-Industry Functional Topics


# In-House Legal

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

## “Engage. Execute. Excel. The New ‘Normal’ for In-House Counsel.” – ACC

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

The four C’s of Collaboration, Capability, Curiosity, and Creativity were used by the ACC and McGrathNicol to facilitate roundtable discussions between cross-industry ASX200 General Counsel in 2017. The resulting white-paper is a worthwhile, if light and somewhat predictable, read for the common themes that occur across industries. These attest to the wide reach of the changing role of GCs.

Go straight to the last two pages for a summary “Four C’s” checklist. 

Cross-Industry Functional Topics

# Marketing & Customer Experience

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

## “How CMOs Can Get – & Keep – Their Marketing Mix Right” – Bain

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

In this useful article, Bain talks about the increasing pressure of CMOs to demonstrate the effectiveness of their marketing mix. It overviews the evolution of “Marketing Mix Optimization” models from MMO 1.0 analytical models (which are top-down, based on aggregated data, less sensitive to media mix changes and not tied to the micro outcomes at customer level) through to MMO 2.0 models (which are bottom-up and do leverage individual level digital data, but which are typically difficult to implement and manage vs real customer journeys) through to MMO 3.0 models (which are more accessible in terms of data, both forward- and backward-looking, and are more iterative, action-oriented, and accountable). The article goes on to explain the organisation capabilities and conditions required to achieve/implement each level of MMO. It also provides a good barometer for executives and boards to assess or gauge their organizational progress against. Worth a read.

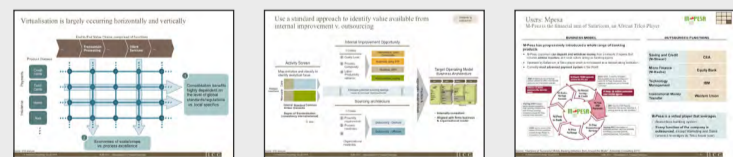
## “Biometric Authentication” – KPMG

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

This article talks about the increasing use of biometrics by financial Institutions. It explains how biometric authentication using facial, fingerprint, and voice recognition is becoming a cheaper and accessible alternative to authentication via passwords (often easy to crack) and a more user friendly alternative to multi-factor authentication. The authors explain that beyond the obvious benefits of shielding banks against fraud, these innovative and personal ways to authenticate a customer are also differentiating and ‘sticky’ from a customer experience / satisfaction perspective – they allow customers to feel ‘known’, safe, and protected.

## 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 >](#)

## “Technology with Vision: An Agenda for the Telecommunications Chief Technology Officer” – Bain

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

In this great article from Bain, the authors shed light on the crucial transformation in the telecommunication industry.

Telco operators’ CTO – or should we now call them CTIO (Chief Technology and Information Officer)? – are under immense pressure to evolve within their role. From great directors with a passion for technology, they need to become the catalyst and the architect of the companies strategic change. With trillions of dollars in budget to invest, CTIOs surely feel the pressure as they are central to the survival and the growth of their company.

After a short diagnosis, Bain provides five key recommendations for success that every CIO/CTO and their directors should carve in their agenda, and meditate upon every morning before going to work.

Simple, short and relevant, this article is definitely worth reading. It goes without saying that technology officers from other industries should not dismiss these points, as their role is also likely to be following the same path.

## “Taking the Risk Out of Digital Projects” – BCG

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

BCG’s article presents the key success levers to deliver a digital project with minimal risk.

In this reviewer’s honest assessment, beyond introducing a new name for hybrid agile as ‘programmatic agile’, this article falls flat. The authors are simply recapping what has already been written, in many different ways, in off-the-shelf Agile and Lean methodology books.

So, yes, the majority of digital project pitfalls are addressed by the article – but for every employee already involved in a transformational project, this article will not present anything new. However, if you have never heard about Agile or believe that the Agile buoy can be thrown at any type of project, please read it before you sink. It will be your lifesaver.



Cross-Industry Functional Topics

## Technology


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

### “The Rise of Digital Platforms” – KPMG

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

This short article from KPMG explains the rise of the digital platform in the financial industry, and quickly touches on the key question every CIO is asking on this topic: does one create one’s own digital platform, or partner with an established one?

Unfortunately, for our regular readers, no real new news surfaces in this article. However, we encourage you return for next month’s review of Deloitte’s excellent article entitled Building new ecosystems in middle-market insurance.

For everyone else, this article is worth reading on the go. However, we feel the authors could have gone a little further in their reflection around the creation vs the partnership aspect of the digital platform, as there are now live platforms in operation following both models. 

# NEED PRODUCTION SUPPORT?

Urgent turnaround is available via [production@internalconsulting.com](mailto:production@internalconsulting.com)



## POWERPOINT POLISHING

High quality, clear and consistent. From hand sketches or existing slides



## CUSTOM GENERATED GRAPHICS

Illustrations, animations, and video



## ENHANCED DIGITAL PRESENTATIONS

Distribute your deck as an interactive PDF or microsite

Contact us to discuss your requirements:

[production@internalconsulting.com](mailto:production@internalconsulting.com)

[internalconsulting.com/production](http://internalconsulting.com/production)



## Cross-Industry Functional Topics

# Operations & Change

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


## “Organizing for a Digital World” – Bain

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

This is a timely article given the increasing pace of digital transformations globally and across industry sectors. It is based on a Bain & Company survey of 1000 companies, and attempts to uncover how leading companies are organizing to succeed in the face of digital disruption.

Bain notes that the majority of digital programs are falling short of their potential. The article concludes that digital transformations are more challenging than traditional large-scale change programs, and points to survey data highlighting lower success rates and higher acceptance of diluted outcomes.

It also attempts to shed light on practices to improve success. The article concludes that leading companies are rewarded by examining each element of their operating model to improve performance and digital outcomes. While no single structure is best for all companies, it is important to understand the level of disruption they face, their current level of digital maturity, and their openness to change. This understanding should be used to establish clear accountabilities, robust governance, and new capabilities to improve the odds of success.

This quick 4-page article is a worthy read for anyone contemplating a digital transformation, or looking to maximise the outcomes of an existing initiative. 



## Cross-Industry Functional Topics

# Innovation & Disruption

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

## “Insurgency from the Inside” – Bain

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

Essentially, this is discussion about using agile teams to break through organizational silos and inertia to get things done in large companies – specifically, initiatives to respond to rapidly evolving opportunities and threats in a company’s markets. Bain’s diagnosis is that large companies find this hard to do because they have forgotten their founders’ mindset, intense focus on the customer, and impatience with inaction and bureaucracy. Reconnecting with their founders mission, thinking like an insurgent, and encouraging lots of agile teams – each focused on a “micro battle” – is Bain’s prescription for helping the whole company eventually become more agile and responsive to its markets and competitors. This is a well-written and readable article, but the branded approach looks like a repackaging of familiar agile concepts, leavened with an emotive reference to a company’s founders... which might actually help with inspiring staff, provided the founders’ mission is still relevant today.

## “The 2% company” – BCG

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

Similar to the Bain article reviewed above, this BCG article examines why only 2% of large companies manage to be both innovative and efficient, to explore for the long term and exploit in the short term, with equal intensity. These are traits that also help with anticipating and responding to disruptive threats. Rather than identifying one successful model or remedy, this article identifies five (interestingly none mention founders’ mindset or agile). Examples of companies demonstrating each of these are discussed, and an assessment tool is described for measuring your organisation on the five traits of the 2%. Contemplating the five models is interesting, but one is left with the feeling there might be more models and traits for success than the five discussed. A thoughtful article and worth reading. **lr**





Cross-Industry Functional Topics

# Payments

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

## “Merchant Payments Digest - 10th Edition” – Oliver Wyman

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

**G**ood summary of main updates in the payments space including Mastercard’s April 2019 biometric deadline, prepaid card regulation (US) tightening, a smartphone manufacturer data breach in the online space, and Singapore Airlines’ Krisflyer frequent flyer plans for a blockchain-based miles spend at select partner merchants. Featured is Ebay’s decision to move to Adyen as a payment provider over Paypal, with the Paypal option being available until July 2023 - what does that mean for the future of the Paypal button on websites? Also another first, Apple stores accepting Alipay in China. A lot of key developments covered in its brief 4 pages.

## “Blockchain: A technical primer” – Deloitte

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

**A** useful, more technical Q&A on blockchain and how the technology works – worth a quick read to understand the basics, as well as the role of a blockchain miner. The authors explain the three main capabilities of blockchain technology (storing records, exchanging assets, and executing contracts) simply, and offer a number of examples of blockchain use cases across six different industries. **lr**

Cross-Industry Functional Topics  
**Cyber Security**

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

**“Cryptocurrency Unmasked, Part 1: Are Cryptocurrencies Secure?” – Oliver Wyman**

**“Elevating cybersecurity on the higher education leadership agenda” – Deloitte**

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

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

**A** short and interesting summary of why crypto currencies are not secure, sustainable, scalable, or economic. Proceed with caution!

**T**his overview of issues and risk that pertain to higher education cybersecurity could be useful for academic leaders as a discussion vehicle for setting an agenda. The open nature of universities and the research and education purposes tends to play down risks, i.e. “we are not a bank”, but like any organisation, they too have critical services and valuable data worth protecting. Further, the recent incident involving a Cambridge University professor working for Cambridge Analytica – who gained access to information on 50 million Facebook users – highlights that the dangers are evolving in disturbing ways for this sector.

**Engage Your Peers (EYP)**



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

[VIEW EYP >](#)

Cross-Industry Functional Topics  
**Cyber Security**

Feature Reviewer



**Mike Trovato**

**ICG Practice Leader Cyber Security**

Michael leads the Cyber Security Practice for ICG Global. He is a results-oriented, internationally-recognized cyber security, risk, and technology leader, experienced in delivering insights to board, audit, risk, and IT executives, and helping organisations protect value, brand, and reputation.

Mike’s experience includes building “Big 4” advisory practices in the US and Asia Pacific, and key executive roles at NAB Australia, MasterCard, and Salomon Brothers in New York.

Mike has supported numerous organisations making a step change in managing cyber security by asking the right questions and providing practical insights on governance, management, transformation, data protection, and privacy.

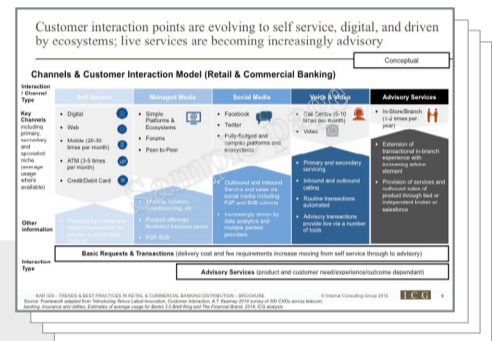
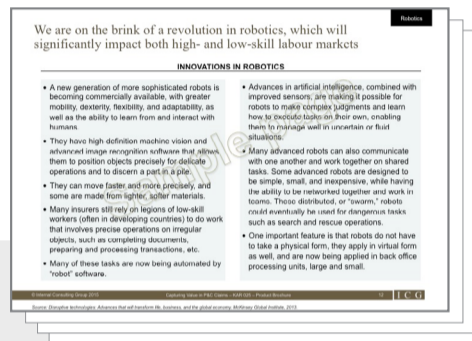
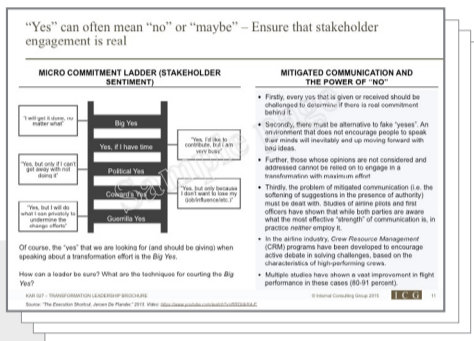
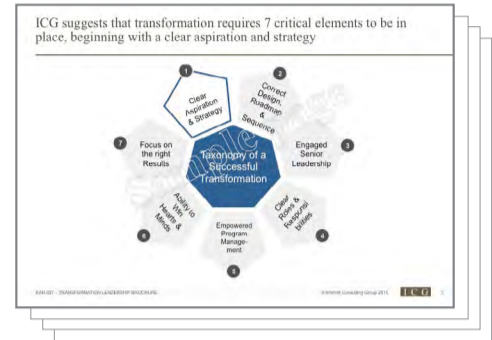
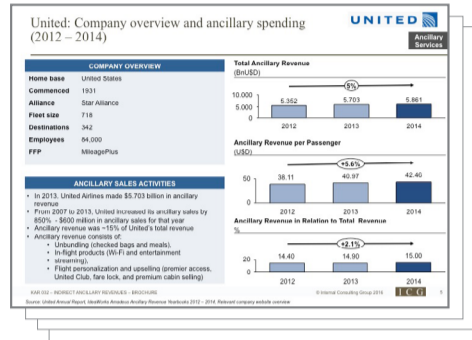
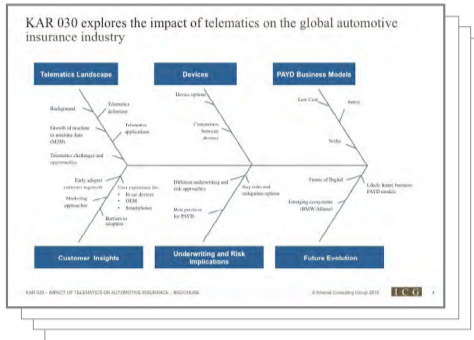
Mike is based in Melbourne and Sydney but works globally.

**Contact Michael Trovato**

**M:** +61 (0) 404 880 793

**E:** [michael.trovato@internalconsulting.com](mailto:michael.trovato@internalconsulting.com) 

# KNOWLEDGE AREA REVIEWS (KARs)



## Get smart quickly on almost any given topic, using ICG's ever expanding library of KARs

### A New Kind of White Paper

- A peerless synthesis of publicly available information
- Information-rich slides with synthesized knowledge, categorized insights, and data visualizations
- A combination of information from the best available industry sources, from global open-published literature to concentrated subject matter expertise direct from the ICG membership
- Includes numerous case studies and examples of global companies
- References all exhibits to their original sources and lists further reading.

### Popular titles include:

- Indirect Ancillary Revenues
- Transformation Leadership
- Virtualization in Financial Services
- Pricing in Retail Banking
- Impact of Telematics on Automotive Insurance
- Bank Cost Reduction Program

[VIEW KAR LIBRARY >](#)



# Industry-Specific Topics

In this Section:

[Macro Financial Services](#) | [Retail & Business Banking](#)  
[Fintech](#) | [Corporate & Investment Banking / Institutional Markets](#)  
[Wealth & Advice and Investments and Fund Management](#)  
[General Insurance](#) | [Ecosystems](#)



Industry-Specific Topics

## Macro Financial Services

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


### “Solving the Productivity Puzzle” – McKinsey

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

Classical McKinsey Global Institute: a wonderfully macro-level look at how our economies are changing and how our labor productivity has waxed and waned over the decades. The insight drills down into some great detail and is presented at three levels: summary, executive summary, and full report. Of most interest will be their finding that digitization has yet to realize any benefits because of adoption lags and duplication of channels. Designed to help McKinsey gain access to government work, is it nonetheless a useful body of work for internal consultants looking for macro perspectives.

### “How are Consumers Feeling About their Finances?” – McKinsey

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

We don't normally include this type of insight, as it relates to consumer attitudes to FMCG by country. However, it will be very worthwhile for our readers to look at Exhibit 3 which brings into stark relief how the younger generations with better nutrition education have radically changed their diets (and therefore purchasing habits). Hopefully a helpful wake-up call for our older readers. 



# SHARE YOUR INSIGHTS

---

You are invited to forward your copy of *The Insights Review (TIR)* to your colleagues and friends, allowing them to access the same level of quality reviews that save you time each month – whilst also keeping you abreast of the latest thinking from the global management consulting industry.

**Not already subscribed?**

[SUBSCRIBE FREE >](#)



Industry-Specific Topics

## Retail & Business Banking


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

### “Coping with the Challenge of Open Banking” – Bain

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

This article explores the disruptive impact of the open banking regulatory reforms in the UK, requiring banks to disclose performance and fee data and to use open application programming interfaces (APIs), which enable customers to share their financial information with other providers. These changes are positive for customers, who are likely to gain easier access to a broader range of financial services offered by a larger selection of providers, and who face much lower barriers to switching between providers. The changes are also likely to create opportunities for aggregators to offer services from multiple providers on a single platform.

Incumbent banks need to develop strategies to retain high-value customers, and defend against the risk of aggregators that might seek to slice away portions of profit pools. The authors offer useful insights on how retail banks can prepare for this challenge, primarily through leveraging their natural advantages in customer data and trust. In addition, banks will need to consider aggregating platforms as part of their distribution strategies.

While focused on the risks and opportunities for the major UK banks, the article touches on broader trends that will be of interest to those working across digital banking and customer experience in other geographies. 






Industry-Specific Topics

# Fintech

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

## “Cryptocurrencies & Public Policy” – Oliver Wyman

[VIEW PDF \(31 PAGES\)](#)

An explainer aimed at the layman, not technical or policy experts, its objectivity and neutrality is a pleasant change from all the hype. The authors explain what cryptocurrencies are, what blockchain is, the different varieties of cryptocurrencies, what’s driving interest in these, the macroeconomic considerations, those for consumers and investors, and the regulatory options. It does not try to address whether governments should issue public digital or crypto currencies – its focus is the many private varieties, especially traded ones. This summary delivers exactly as advertised and is one of the best short introductions to cryptocurrencies and blockchain that we have read. If you are the intended audience, it is worth reading and keeping for future reference. 



Industry-Specific Topics

## Corporate & Investment Banking / Institutional Markets

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

### “Changing the World’s Most Important Number: LIBOR Transition+” – Oliver Wyman

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

This is an information-rich piece by OW that highlights the importance of transitioning out of the London Interbank Offered Rate (LIBOR), and the idea that this activity should be moving rapidly up the management agenda. After 2021, LIBOR – which is the reference interest rate for tens of millions of contracts worth more than USD240 trillion – may no longer be available.

For those not directly responsible for interest rate mechanisms, this article is still worth a read as it exposes the extent to which LIBOR is embedded throughout the financial system – more than you would think, and thus the more heinous the 2012 rate-fixing scandals. There is much for financial institutions and their internal consultants to do to prepare for and execute this transition, and time is running out. **lr**

**“Next Generation of Operational Excellence for Insurers”  
– Oliver Wyman**

**VIEW PDF (4 PAGES)**

**A**ccurate’s egg of an article – good in parts. I would counsel executives to pay attention to the four pillars outlined. They make a good point about the need to provide balance in developing, and not entirely focus on cost. One of the best lessons this author got in his consulting career was to hold to a simple standard in identifying and delivering sustainable cost cuts; namely, that to be successful, any initiative must both make the customer’s life better and reduce costs.

This is where the article falls down a little, in that it gives no real insight on how to deliver this, but rather deploys the usual general call-to-arms, relying on the usual suspects (Robotics et al) to deliver the change. Your reviewer was hoping for more after what was a good start, so would suggest executives focus on the first half and lightly skim over the rest.

**“P/C: It’s Not Personal Anymore”  
– Oliver Wyman**

**VIEW PDF (2 PAGES)**

**T**his short article makes for engaging reading, albeit with some contentious propositions. Increasingly, this reviewer came to the conclusion that the market which would benefit most from the trends outlined is the London Insurance markets, whose record of innovation both in the broker and carrier sphere is better than most. It is such a shame that Lloyds of London is so restrictive about increasing its capital base, as it could very successfully ride such trends. It is also a turn-key market not often commented by leading consultants, as its structure does not lend itself to large branded consulting engagements – which perhaps would explain why the article is silent on this area.

Despite these observations, executives should read this and pick out useful insights to help formulate their ongoing worldview for managing in a changing environment. **lr**

Industry-Specific Topics

# Ecosystems

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

## “Building new ecosystems in middle-market insurance” – Deloitte

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

The article suggests that it will offer the usual call-to-arms based around a survey, as after all, this is a well-trodden ground in previous editions of The Insights Review. However, Deloitte present an excellent article that is practical and insightful as a guide for insurance executives considering going down this route. Its value is that it gives a executives a clear idea of where to start and what it is that consumers might want.

As ever, do not expect guidance on how you might optimally orchestrate implementation – but this insight will help executives think about what they should do, and what they should offer.

For what it is worth, this author believes the main delivery obstacle in success is effective marrying up the skills of traditional financial services with the very creative communication prevalent in new media. The winners in the insurance world may be those who display more boldness in the communication arena. **lr**

REVIEWS OF THE WORLD'S LEADING INSIGHTS



# THE INSIGHTS REVIEW

---

© Internal Consulting Group Pty Ltd 2018

## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



## Articles of the Month

The Best Insights of the past 12 months

FEBRUARY 2018

### “Delivering Through Diversity” – McKinsey

[VIEW PDF \(42 PAGES\)](#)

**M**ckinsey promises to prove that financial performance is inextricably linked to gender and ethnic diversity. Drawing from more than 1,000 companies covering 12 countries, the article flat out proves not only that top team diversity positively impacts financial results but also that companies with top teams that are not diverse underperform their peer group by 29 percent. 29 percent! The article then provides sound advice about how to increase a company’s diversity.

All in all, this article is what a management article should be: fact-based, with advice that can be used. We recommend this article as a must-read for all C-suite and managers.

### “How Diverse Leadership Teams Boost Innovation” – BCG

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

**C**ompetitor BCG has its own study and its own results. Yes, diversity leads to better results. But diversity also leads to more successful innovation. BCG thus manages to tie not just profitability, but also long-term performance (measured in innovation dollars) to diversity.

The article is more pithy and more focused than McKinsey’s longish piece, yet it is as worthwhile a read – for any CxO. Both consulting firms have shown the way to diversity – if your company lags behind, when will your shareholders come knocking?

## Articles of the Month

The Best Insights of the past 12 months

DECEMBER 2017 - JANUARY 2018

### “10 Principles for Winning the Game of Digital Disruption” – PwC

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

Another article imploring management to wake up to the digital disruption threat/opportunity for their business. Thankfully, this one is more helpful and describes 10 themes to analyze for potential disruption, possibly helping you generate new ideas similar to way Blue Ocean Strategy’s Six Paths Framework does. Each of the 10 themes is also illustrated with examples of disruptors and incumbents.

This is an excellent insight with some great case studies, and is our worthy winner of ‘Article of the Month’.

NOVEMBER 2017

### “Memo to the CEO: Are You the Source of Workplace Dysfunction?” – McKinsey

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

The title is being polite.

Once you get past the benign title, this entertaining and highly readable article asks CEOs the following question: Is it your fault that your company is full of jerks?

The article provides a nice seven-factor self-assessment and then five ways to tackle the problem. Highly insightful and entertaining at the same time – a recommended read for all, especially those who want to do something about how they affect others.

## Articles of the Month

The Best Insights of the past 12 months

OCTOBER 2017

### “Where is Technology Taking the Economy?” – McKinsey

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

First, a big thanks to W. Brian Arthur – independent professor – for bringing McKinsey and us (ICG readers) thought leadership on the highly talked about subject that is the socio-economical impact of the new industrial era.

What a refreshing and thorough article this is! The author goes beyond the common debate of whether or not the 4th revolution will destroy or create more jobs, instead positioning the debate on the need for adequate distribution of the production/productivity gain from this revolution. He makes reference to the universal revenue trial in the Scandinavian countries, and to John Keynes predictions back in the 1930s, and provides plenty of relevant examples.

Lastly, the author also reminds the politicians that if they don't act on new social policies, they will most likely be forced by the people to do so – as has been the case throughout history.

A very interesting and compelling article that you will enjoy reading.

SEPTEMBER 2017

### “Build & Protect Firm Reputation” – Accenture

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

This is a great step-up article by Accenture in a field they are not famous for. Accessible and containing some excellent new material, this insight is well worth reading for executives and internal consultants needing to be across all the major frameworks required to manage conduct risk.

The headline here is that the aggregate misconduct bill across the industry over a 7 year period is a staggering US\$300B!

Of more utility to internal consultants and their clients is a well-engineered reputation driver framework that highlights governance and community as the two key drivers that are directly related to conduct and behavior.

The insights include five thematic challenges for a conduct program, a powerful inherent conduct risk danger framework (that we haven't seen before), some myth busters, and an approach framework and overview of three lines of defense that everyone should keep on their hard drive.



## Articles of the Month

The Best Insights of the past 12 months

AUGUST 2017

### “Sizing the Prize: What’s the Real Value of AI for Your Business & How Can You Capitalize” – PwC

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

PwC examines the improvement potential of AI and how it can be applied to generate specific benefits. As with Accenture’s report also reviewed here, the authors define AI as systems that can sense their environment, think, learn, and act autonomously. PwC goes on to classify AI in four ways: process automation, human assistance, augmented intelligence, and autonomous actors.

The report focuses on the value that can be created, and outlines the economies and businesses with the greatest potential for improvement. PwC sees AI as a big game changer that possesses the greatest potential to transform operations and business models. The report cites specific opportunities to reduce cost through process automation, improved decision-making, and revenue growth driven by more personalization, innovation, and improved CX.

This is a high quality report from PwC, building on its extensive experience with global surveys. The report projects specific improvement potential for select economies and industries. Similar to the Accenture report, the value lies in raising awareness and as a call-to-action rather than the precise percentage improvement reported.

JULY 2017

### “Technology Vision for Insurance 2017” – Accenture

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

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

The authors cover five main trends:

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

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

## Articles of the Month

The Best Insights of the past 12 months

JUNE 2017

### “The Business Logic in Debiasing” – McKinsey

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

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

This excellent article aims to provide you with insights into biases that effect decision-making, both at a personal level as well as at a system level.

It also shows you some ways to de-bias your decision-making.

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

APRIL - MAY 2017

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

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

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

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

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

## Articles of the Month

The Best Insights of the past 12 months

MARCH 2017

### The New Battleground for Marketing-led Growth – McKinsey

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

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

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

JANUARY - FEBRUARY 2017

### “Top 10 Trends in Wealth Management 2017” – Capgemini

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


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



## ***The Insights Review – Financial Services Edition Team***

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.

### **CHIEF REVIEWER**

**David Moloney**   
ICG Global Practice Leader  
Financial Services

### **EDITOR**


**Andrew Wilson** 

### **INSIGHT REVIEWERS**


*The Insights Review* draws its insight reviewers from over 1000 of the most senior professional consultants around the world.


Key contributors this month include:

**Andrew Boyes-Varley**   
ICG Financial Services Practice Leader (UK)

**Barry Johnston**   
ICG Practice Leader Wealth Management  
& Superannuation

**Christophe Amoussou**   
ICG Practice Leader IT & Transformation

**Egbert Schaefer**   
ICG Practice Leader Risk  
& Compliance Management


**Elizabeth Burns**   
ICG Subject Matter Expert

**John LaVacca**   
ICG Practice Leader Operations

**Julian Cappe**   
ICG Practice Leader Retail & Business Banking

**Karen Ryan**   
ICG Practice Leader IT Strategy

**Lisa Hickson**   
ICG Subject Matter Expert

**Marc Potter**   
ICG Practice Leader Operations & Change

**Michael Roch**   
ICG Global Practice Leader

**Mike Trovato**   
ICG Practice Leader Cyber Security

**Peter Dale**   
ICG Subject Matter Expert

**Richard Dale**   
ICG Subject Matter Expert

**Ryan McQueen**   
ICG Global Payments Practice Leader



# THE INSIGHTS REVIEW

---

## ICG Service Promise

We hope you have found ICG's *The Insights Review – Financial Services Edition* valuable. If any aspect of this publication could be improved, please contact:

[FEEDBACK@INTERNALCONSULTING.COM](mailto:FEEDBACK@INTERNALCONSULTING.COM) >

## For Further Information

This review is one of many value-added services to help executives, internal project teams and internal consultants improve their effectiveness. For a full range of services, visit:

[ICG WEBSITE](#) >

### DISCLAIMER

ICG has made and will make good faith efforts to ensure that *The Insights Review* is a high quality publication, and a reasonable interpretation of the material it purports to review. However ICG does not warrant completeness or accuracy, and does not warrant that the Subscriber's use of the Report through ICG's provisioning service will be uninterrupted or error-free, or that the results obtained will be useful or will satisfy the user's requirements.

ICG does not endorse the reputations or opinions of any third party source represented in the review.

### COPYRIGHT NOTICE

While third party materials have been referenced and analyzed in this report, the content of this report represents the original work of ICG's personnel. *The Insights Review* is subject to copyright. ICG is the legal copyright holder. No person may reproduce the review without the explicit written permission of ICG. Use of the copyright material in any other form, and in any medium whatsoever, requires the prior agreement in writing of the copyright holder.

The Subscriber is allowed "fair use" of the copyright material for non-commercial, educational, instructional, and scientific purposes by authorized users.

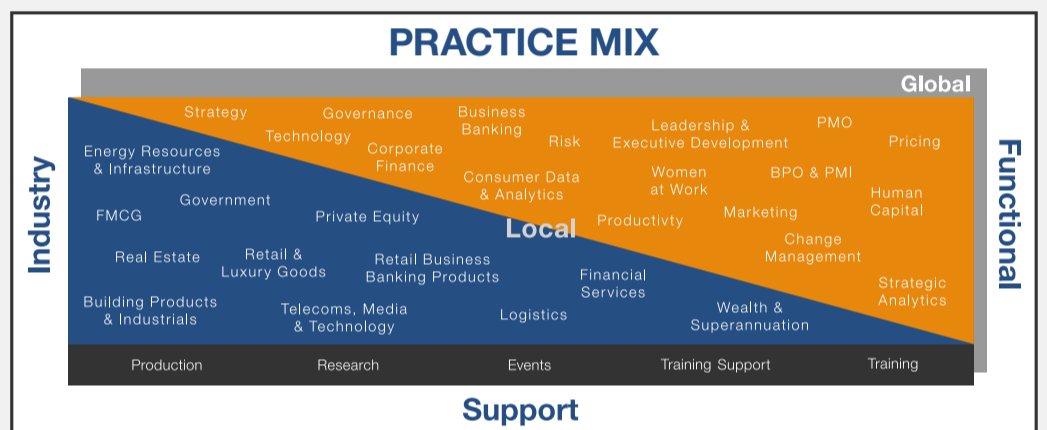


ICG significantly increases business impact by combining accredited professionals, world class publications, proven methods, professional learning and curated services into one easy-to-navigate platform for your next project or initiative

## PROFESSIONAL SERVICES DISRUPTED!

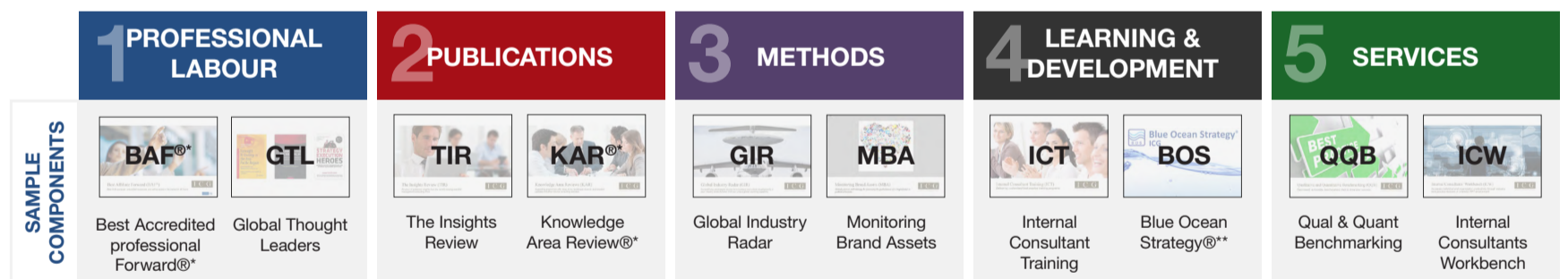
The world's fastest growing consulting firm has no employees...

... and offers global reach, industry and practice diversity, and the competencies you need to meet your business challenges.



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

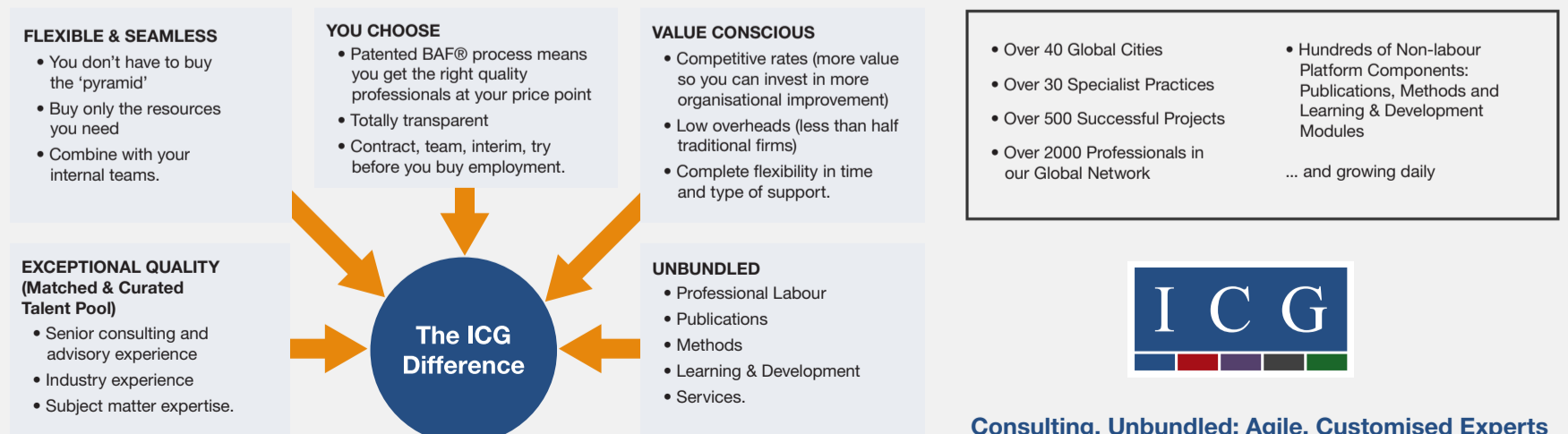
## MEASURABLY IMPROVE BUSINESS IMPACT BY COMBINING COMPONENTS ACROSS 5 PLATFORM PILLARS



\*BAF & KAR are registered trademarks of Industrialised Adhocracy Pty Ltd. \*\*Blue Ocean Strategy is a registered trademark of Professors Chan Kim and Renee Mauborgue

## WITH A HIGHLY DIFFERENTIATED BUSINESS MODEL THAT OFFERS REAL VALUE TO ITS CLIENTS

## THE ICG PLATFORM BY THE NUMBERS



Contact Your Accredited Professional via [www.internalconsulting.com](http://www.internalconsulting.com)

## 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

## Confidentiality & Intellectual Property

ICG does not wish to disclose the identity of its clients, nor will it, without their express written authorization.

Our clients include local, regional and global organizations across the private, public and not for profit sectors. Our clients span almost every major industry and sub sector. Client references are available from board members, CEOs, C-suites, executives and middle management who enthusiastically support the model of working with client-selected, experienced affiliates who are dedicated and fit for purpose, rather than the less experienced consultants with fly-in support provided by traditional models.

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.

Through a rapidly expanding global footprint of HUBs, we are uniquely placed to introduce you directly to global best practice case studies, global experts, and directly to your global peers at our non-competing clients.

## Further Information or Enquiries:

**Internal Consulting Group Pty Ltd**

Email [enquiries@internalconsulting.com](mailto:enquiries@internalconsulting.com) or visit our website at [www.internalconsulting.com](http://www.internalconsulting.com)

**VIEW ICG WEBSITE >**



**CISI**  
CHARTERED INSTITUTE FOR  
SECURITIES & INVESTMENT

# THE INSIGHTS REVIEW

---

**VISIT ICG WEBSITE >**

---

**VIEW PAST REVIEWS >**

---

© Internal Consulting Group Pty Ltd 2018

**REVIEWS OF THE WORLD'S LEADING INSIGHTS**

**MARCH 2018**