



CELEBRATING

30  
YEARS

# THE INSIGHTS REVIEW

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## IN THIS ISSUE

STRATEGY  
LEADERSHIP & EXECUTIVE DEVELOPMENT  
GOVERNANCE RISK & COMPLIANCE

HUMAN CAPITAL  
OPERATIONS & TRANSFORMATION  
CYBER SECURITY & PRIVACY

PRICING  
MACRO FINANCIAL SERVICES  
LOCAL GOVERNMENT & HEALTH

ARTICLE OF THE MONTH: 'Getting Strategy Wrong: & How to do it Right Instead' - McKinsey

## About this Report

*The Insights Review* by ICG presents timely abstract reviews of the most relevant 'open published' perspectives and research reports from the world's leading branded management consulting firms.

This publication ensures that executives and their internal consultants are exposed to the widest range of high quality ideas, techniques and methodologies developed across the management consulting industry globally.

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

## 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.

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

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



## Message from the Editor

We try to align the publication of this edition with the end of the European holidays, so a warm welcome back to our Northern Hemisphere readers and reviewers. Due to the holiday season, this is a lighter read than usual as the big firms tend to avoid publishing their best insights over the holidays.

Not surprisingly, our *Article of the Month* is subsequently not written by a consulting firm (even though it is published by one). Instead, it is written by one of the living legends in the strategy community, Richard Remult, Professor Emeritus at UCLA.

### **Getting Strategy Wrong: & How to do it Right Instead – McKinsey**

Hearty congratulations to Richard, even if competing with an emeritus professor is a little unfair on the other reviewers! However, the good news is there are still quite a few four and five star articles that might be worth a skim.

Enjoy this month's edition – and don't forget to forward it to your team and peers, and encourage them to register for their own [free subscription](#).

Until next time, please contact your favorite ICG consultant, or closest HUB for help, else happy internal consulting!

Following is our current list of some of the most interesting projects this month. If you or your teams might benefit from a confidential and sanitized conversation on any of the below, please contact your preferred ICG professional or nearest HUB to be put in touch with the project team lead.

- Assisting a major government entity to optimize its program and project delivery approach
- Helping a large energy infrastructure company write its new sustainability (ESG) policy
- Transforming supply chain operations for a major trans-national for security and efficiency
- Segmentation strategy for a global car rental company
- Customer strategy for a leading government transportation agency
- Distribution strategy for a leading wealth company
- Strategy for a top-10 retail bank
- SME customer targeting strategy for a leading bank
- Consumer data right strategy and partner selection for a top-10 financial services company.

For access to all of our projects please go to [www.internalconsulting.com](http://www.internalconsulting.com).

Happy reading and happy internal consulting

**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</b>	<b>06</b>
Getting Strategy Wrong: & How to do it Right Instead - McKinsey	
Digital Twins: Adding Intelligence to the Real World - Capgemini	
<b>Leadership &amp; Executive Development</b>	<b>07</b>
The Best Leaders Have a Contagious Positive Energy - HBR	
What Leadership Development Should Look Like in the Hybrid Era - HBR	
<b>Governance Risk &amp; Compliance</b>	<b>08</b>
Claims 2030: Dream or Reality? - McKinsey	
Small & Medium-Size Commercial Insurance: The Big Opportunity - McKinsey	
<b>Human Capital</b>	<b>09</b>
Shifting Skills, Moving Targets, & Remaking the Workforce - BCG	
The Path to Digital Maturity in HR - BCG	
<b>Operations &amp; Transformation</b>	<b>10</b>
The Organization of the Future Is Fractal - BCG	
<b>Cyber Security &amp; Privacy</b>	<b>11</b>
Cybersecurity: 2022-2023 - ALM Intelligence Pacesetter Research / PwC	
<b>Pricing</b>	<b>12</b>
Solving the Paradox of Fair Prices - BCG	

# Industry-Specific Topics

<b>Macro Financial Services</b>	<b>14</b>
Reimagining the Future of Financial-Services Headquarters - McKinsey	
How Banks Can Reimagine Lending to Small & Medium-Size Enterprises - McKinsey	
<b>Local Government &amp; Health</b>	<b>16</b>
An Ecosystem Approach for City Governance - BCG	
Designing the Digital Health Care Systems That People Deserve - BCG	

## Special Feature | Contributors | About ICG

<b>The Best Insights from the Past 12 Months</b>	<b>17</b>
<i>The Insights Review Team</i>	<b>24</b>



# Cross-Industry Functional Topics

In this Section:

**Strategy | Leadership & Executive Development**  
**Governance Risk & Compliance | Human Capital**  
**Operations & Transformation | Cyber Security & Privacy | Pricing**



## Cross-Industry Functional Topics Strategy

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

### ARTICLE OF THE MONTH

## “Getting Strategy Wrong: & How to do it Right Instead” – McKinsey

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

Your reviewer has been a huge fan of Richard Rummelt’s work since reading *Good Strategy, Bad Strategy*. This article ‘strategically’ published by McKinsey summarizes his new book *The Crux: How Leaders Become Strategists* (Public Affairs, 2022). It is a tour de force depiction of what the essence of real strategy is and why so few executives have the time, experience, and expertise to get it right. Rummelt makes three key points. The first is that strategy is gnarly. This is a cute way of describing complexity in the way Jay Forrester and Peter Senge first did with systems thinking. Problems are embedded in multi-dimensional systems with cause and effect loops that are not readily identifiable, so imagining you can pull one lever (the silver bullet) and a hockey stick will result is naive to say the least. Secondly, you need to identify the crux of the problem. In his earlier book, he called this the strategy pivot point (which is another way of saying ‘what really makes a difference?’) What are the core constraining factors and where can additional resources drive sustainable incremental performance? And thirdly, the lever in strategy which this reviewer often finds adds the most value: coherence. How do the component parts of a strategy strengthen each other to create reinforcing loops, rather than competition for resources and customers?

A must read for all – enjoy this worthy *Article of the Month*. **DM**



## “Digital Twins: Adding Intelligence to the Real World” – Capgemini

[VIEW PDF \(57 PAGES\)](#)

Digital Twin continues to surprise this reviewer. As a computer scientist, he built some very early simulation models for supply chains, logistics systems, and even for ecosystems using systems thinking tools like iThink. For decades, these tools were kept alive by a small number of consultants who could demonstrate the immense value from getting the operating model settings just right under various scenarios. Now, we are told, digital twins help with everything from sustainability to managing ecosystem partners.

The merits of digitization and automation are obvious to someone who was an early implementer of lights out computer systems automation. However, building a digital twin for the sake of it seems to be a stretch when a more sensible strategy is to consider two sequentially interdependent steps:

1. Build a systems dynamics model for only what matters (i.e. a much simpler version of the universe – a digital avatar rather than a twin)
2. For the actual system. Repeat the optimize, digitize, optimize cycle, where more complex aspects of the operating model can be spot replicated or twinned to test and synchronize optimum settings.

Digital twins occur frequently in operating systems and application portfolios where comprehensive testing needs to occur before new software becomes live, but anyone in SW will warn you of the huge costs of this approach – it is like having two legacy systems to manage rather than one.

That all said, this article has something to offer those not familiar with the term. Also, for those who are familiar with it and are considering building one (or the business case for one), there is a very helpful architecture in Figure 24. The rest might see this as very sensible product push marketing by a firm with more software development capabilities than any firm other than Accenture. **DM Ir**





Cross-Industry Functional Topics

## Leadership & Executive Development

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

### “The Best Leaders Have a Contagious Positive Energy” – HBR

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

Most leadership theories predict a leader’s capacity to influence their followers either through their personality traits, leadership style, or position power. However, in this article, two well-respected academics promote a new pathway for successful leadership: positive relational energy.


An empirical study presents clear evidence that positive energy is far more effective long-term for leaders and their originations to flourish. **WA**



### “What Leadership Development Should Look Like in the Hybrid Era” – HBR

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

In 2019, Forbes magazine estimated that the global leadership development industry is \$366 billion, mostly spent on structured training programs for leaders.

In this article from Harvard Business Review, the case for the new hybrid era we live in seems to take us back to the basics of learning: learning through doing. The article presents a model well supported by theory and practice that invites action learning through experimenting with different ways of working. An iterative process to help leaders grow as they learn. **WA** 



*ICG Leadership provides programs to support leaders in cultivating global leadership practices and ideas.*



Cross-Industry Functional Topics

## Governance Risk & Compliance

Review by: Alan Hui | ICG Practice Leader: Governance, Risk & Compliance | [Contact](#)

### “Claims 2030: Dream or Reality?” – McKinsey

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

McKinsey paints a very promising picture for insurance claims management as the globe emerges from COVID lock-down scenarios into an environment where insurers can strive to meet (and exceed?) their customers’ expectations, as well as those of society. The authors structure their thesis around five areas for insurers to focus on in their approach to claims management as the industry heads towards 2030. These are empowering the claims workforce, redefining pro-activity, re-imagining the insurer’s role, evolving the claims ecosystem, and transforming talent. Claims executives would benefit from assessing their strategies against this article indicating where McKinsey believes the industry is moving. **AH**



### “Small & Medium-Size Commercial Insurance: The Big Opportunity” – McKinsey

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

McKinsey takes a view that the insurance market for SMEs is untapped and presents an opportunity for insurers who have to date not targeted this segment. Certainly in terms of size and numbers, the market could be characterized as large. However, the article is unconvincing, framing the opportunity in terms of SME revenue size and ‘under-insurance’ and some unsubstantiated statements such as ‘*Newer businesses are often under-insured, but they are also subject to fewer risks*’. To estimate the potential premium revenue opportunity without also having regard to pricing, risk, and claims only looks at half of the business equation. A discussion starter, but a little generic in its analysis. **AH**







## Cross-Industry Functional Topics

# Human Capital

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

## “Shifting Skills, Moving Targets, & Remaking the Workforce” – BCG

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

This is a very interesting analysis of millions of job advertisements posted between 2016 and 2021 to determine the shifting trends in skills for those roles, resulting in the development of a ‘*Skills Disruption Index*’. This article provides an overview across some key roles and the appendix lists all 680 roles and their disruption index. Four big trends are identified in this evidence-based study, with examples of the changing skills required in typical roles.

Four common job families across businesses have been identified with high disruption index results and discussion is provided as to the key trends in those job families and how they relate to skill change. Implications are discussed for business leaders, HR teams, educators, public sector leaders and individuals to consider. This is highly recommended reading for CEOs, leadership teams, and CHROs. **GB**



## “The Path to Digital Maturity in HR” – BCG

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

An easy read highlighting that organizations who are implementing digital technologies in HR are outpacing their peers and competitors in efficiency, productivity and retention. The gains made in these three areas are discussed, and some examples of end-to-end processes where digital technologies are being applied are provided. This reviewer would have liked to have seen more content in the examples. The article sets out how to begin the digital transformation journey. Recommended for CHROs and Chief Technology Officers. **GB lr**





Cross-Industry Functional Topics

## Operations & Transformation

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

### “The Organization of the Future Is Fractal” - BCG

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

This BCG piece covers a trend whereby organizations are moving to improve execution by reducing hierarchies and creating more fluid organizational structures that increase accountability closer to end customer teams. Accountabilities become more oriented toward local customers, micro markets, and fast-developing profit pools. The article uses the term ‘fractal’ to describe these new structures.

Several examples involving companies operating across different stages of development, geographies, and industry segments are provided. The authors claim fractal organizations are less scale dependent and increase innovation, speed, and responsiveness by pushing accountabilities to the ‘edge’. Exhibit 2 provides a good summary of the continuum of organizational design principles moving from scale to fractal.

Page 10 suggests the steps required to achieve a fractal organization. This well-written article should be of interest to business leaders and consultants keen to improve execution through greater data access and leaner, more customer-focused organizational structures. **JL lr**





Cross-Industry Functional Topics

## Cyber Security & Privacy

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

### “Cybersecurity: 2022-2023” - ALM Intelligence Pacesetter Research / PwC

[VIEW PDF \(60 PAGES\)](#)

Their Wall Street heritage in law firms, ALM Pacesetter analysts evaluate and score the market leaders against five core criteria: Business Model, Value Proposition, Service Delivery, Client Impact, and Brand Eminence. Market leaders that achieve a high Pacesetter Impact Score are designated as ALM Pacesetters - in this report, they are KPMG (surprisingly), law firm Nishimura & Asahi, and PwC. The analysis is dense, but rich and especially for people analyzing the industry or competitors. Regrettably, they do not reach into the world of boutiques for cyber security. However, their attempt to aggregate innovators across market segments is useful. Spoiler alert: it is all about risk and holistic approaches, with management consultants, multi-service providers, and technology companies largely leaving law firms in the dust. **MT lr**





## Cross-Industry Functional Topics

# Pricing

Review by: Alain Meloche | ICG Practice Leader Pricing | [Contact](#)


## “Solving the Paradox of Fair Prices” – BCG

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

**G**eared to the consumer market, the article addresses a classic pricing question as to what constitutes a fair price for a product or service.

There are two parts:

1. A summary of BCG’s survey of 13,00 people in eight countries regarding their perceptions as to what constitutes a fair price. Briefly: consumers have a healthy tolerance for the selling of products and services to different buyers at different prices as long as companies can justify it. The more detailed results are not a major revelation. For readers with limited time, read Exhibit 1 which provides a quick snapshot of this section, or simply skip to the next section as it incorporates the findings.
2. Three recommendations for strategy that address the implications of “fair” pricing. These are interesting in that several of the actions laid out often prove uncomfortable for strategists based on this reviewer’s experience with clients. However, they should be considered in light of current market conditions and can provide for the capture of opportunities presented by a fair pricing strategy.

Bottom line, for the consumer market, read the second section to step back and start thinking about how fair pricing may help capture unexplored opportunities. **AM** 





# Industry-Specific Topics

In this Section:

**Macro Financial Services | Local Government & Health**



Industry-Specific Topics

# Macro Financial Services

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

## “Reimagining the Future of Financial-Services Headquarters” – McKinsey

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

A laundry list of architecture and design principles with some jazzed up wording to re-energize white elephant offices.

Some are old (the boss loses their office), some are new (from physical fitness to holistic wellness). Might be helpful to some readers in HR needing to draft comms to get people back into the office. **DM**



## “How Banks Can Reimagine Lending to Small & Medium-Size Enterprises” – McKinsey

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

A short refresher on what’s hot in the SME space. You guessed it: analytics, seamless digital experience, and platform plays to enable a stand alone instant or rapid approval digital loan offering.

The rest of the article is the usual insight fodder. **DM**





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Industry-Specific Topics

# Local Government & Health

Reviews by: Paul Norris | ICG Subject Matter Expert | [Contact](#)

## “An Ecosystem Approach for City Governance” - BCG

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

This excellent article is a challenge to the prevailing governance model where the infrastructure comprises independent platforms.

These platforms have developed over time to perform specific functions. Trading platforms have been supplemented to fulfill other community needs such as transport, education, culture, and socializing to create a complex set of non-interacting functions.

Here, the premise is that these platforms can be restructured to create a number of co-ordinated ecosystems. These ecosystems are much more effective when tackling social and economic problems found in every city in the modern world. The proposal recognizes that silo mentality can have detrimental effects in one area when changes are made in others. A planned ecosystem can relieve these tensions as part of a wider, co-ordinated approach.

Using compelling examples and modeling the authors demonstrate to city governance professionals the considerable benefits of this thoughtful approach. **PN**



## “Designing the Digital Health Care Systems That People Deserve” - BCG

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

Health care organizations should be thinking about creating more comprehensive, digital platforms and systems to increase their capacity to deliver better patient outcomes.

Although recognizing that healthcare has made significant improvement in digital systems to combat COVID-19, there is much more that can be done to develop health care systems deliver improvements that matter to patients.

The authors have identified a comprehensive framework that can help governments succeed in digital health care transformation. This framework is detailed in this informative article. **PN**





REVIEWS OF THE WORLD'S LEADING INSIGHTS



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30  
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# THE INSIGHTS REVIEW

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## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

2022 EDITION 3

### “Navigating Inflation: A New Playbook for CEOs” – McKinsey

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

Unusually thoughtful insight with a much broader approach than the more typical re-pricing and procurement reviews. While it is full of scary hockey-stick inflation charts, it is also full of pearls of wisdom around how internal consultants and their client CEOs should respond with a comprehensive playbook-style approach including recruitment, product redesign, and glass pipe supply chains. McKinsey includes anonymized sample ideas from clients who have already put some excellent sounding ideas into action. Not to be missed as you design your own inflationary playbook.

Other ideas your author would include:

1. Responding to competitors. Both their pricing signals plus the many discontinuities that will implode or weaken competitors.
2. Trade price increases in exchange for enmeshing clients to longer term contracts and platform-based models which grow co-specific assets.
3. Tighten up your credit watch on companies that may be weakened by the crunch.

For more, please [contact](#) this reviewer.

2022 EDITION 2

### “Reimagining HR: Insights From People Leaders” – McKinsey

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

A great article for CEOs and CHROs who, given the challenging business environment, are exploring the development of the HR operating model. The authors offer data on CHROs shifting priorities and how to pivot to a new operating model, which is about moving from support to leadership. Good graphics allow the reader to grasp the key points quickly.



# ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

2022 EDITION 1

NOVEMBER 2021

## “The CEO Agenda in 2022: Harnessing the Potential of Growth Jolts” – McKinsey

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

As the world economy starts recovering and organizations seek growth trails to the future, leaders need to capture the opportunity for growth amidst discontinuities and uncertainties. This article from Mckinsey highlights the growth mindset concept as the leader’s best friend in the new norm.

The pandemic forced technology to change work culture and enabled new work models – but we are not out of the woods yet, considering the economic, energy, supply chain and geopolitical challenges we face. Careful attention to improving current business and creating new ones is an excellent example of the growth mindset. Finally, leaders need to apply a growth mindset to their midterm strategies to enable further growth.

The article focuses on growth mindset in short-, medium-, and long-term planning and provides some excitement towards the future.

## “Putting Carbon Markets to Work on the Path to Net Zero” – McKinsey

[VIEW PDF \(84 PAGES\)](#)

Of the five or six big ticket items to emerge from COP26 in Glasgow, none was more important than the debate around carbon. A thorough understanding of the role of compliance and voluntary global carbon markets is, therefore, a sine qua non for governments, institutions and corporations when planning a net zero emissions pathway.

This paper by McKinsey helps to demystify the carbon markets topic and is worth scanning for that purpose alone. The authors highlight the hidden potential in the voluntary markets and recommend three ways in which VCMs can be leveraged by investors in the fight against climate change: the allocation of more venture capital to stimulate the supply of innovative climate solutions, support for high standards of market integrity and governance, and use of their influence to force corporate disclosures around CO2e performance and their net zero carbon plans.



## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

OCTOBER 2021

### “Great Attrition’ or ‘Great Attraction’? The Choice is Yours” – McKinsey

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

A very well written article from the team at McKinsey regarding the current trend we are seeing in all of the locations in which we operate: “The Great Resignation”. I strongly urge CEOs, CHROs, CROs and Board Directors to take the time to read this one.

McKinsey have identified that at least 40% of employees said that they are at least ‘somewhat likely’ to quit in the next 3 to 6 months. This finding by McKinsey has been widely reported of late. The authors propose that organizations need to understand why rather than jump to knee jerk reactions and initiatives to respond. The authors report that the trend may not be short term and those currently not considering the great resignation may also be at risk.

The exhibits in this article allow the reader to quickly understand the survey responses that support the insights identified by the authors. Exhibit 5 discloses the disconnect that employers have with the issues reported as important to the workforce. Suggestions are provided as to questions organizations should be exploring in order to understand and respond. Thought provoking, evidence based, and strongly recommended for reading!

SEPTEMBER 2021

### “BCG’s Get Ready for the Future of Money” – BCG

[VIEW WEB PAGE](#)

This report provides a strategist’s approach to the opportunity presented by the digital currency technologies. Some good framing paradigms around social impact, design considerations and suggestions to experiment to design an ecosystem that your firm can grow with. BCG presents a view that critical mass in digital currencies will take another five years. They put forward their view that the first mover advantage will be difficult for others to overcome. Given the open architecture, relatively low cost of the technology, and increasing capabilities being developed, this may not be the most probable case.



## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

AUGUST 2021

### “Real-World Supply Chain Resilience” – BCG

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

The authors have created a compelling description of the need for resilient supply chains, having seen the pandemic highlight the downside of focusing on lowest cost and lean over the past two decades. Overlay on top of this the inherent complexity of product offerings and a reliance on a limited number of suppliers in a low cost labor country, and there is an argument that this was an accident waiting to happen.

The six pillars of supply chain resilience are a practical guide to rethinking your supply chain strategy, especially the redesigning of global supply chain networks and setting new parameters for supply chain parameters. ICG argues that there are two additional challenges that must be addressed to achieve a truly resilient supply chain.

The first is the over-reliance on technology and algorithms to manage the supply chain at the expense of critical thinking. Supply chain leaders must reset this balance to ensure they and their teams really understand what is happening in their supply chains and what short term actions are needed to address supply and demand imbalances.

Secondly, supply chain planning as a critical business capability needs to be reestablished. This is where supply chains are configured to meet the demand needs of customers both strategically and tactically including where to invest in resiliency in the form of inventory, supply capacity, and supply network based on customer service and financial objectives.

This topic of supply chain resiliency is likely to remain an executive and board of directors topic for the foreseeable future. This article is an excellent read for both audiences.

JULY 2021

### “Supercharging IT Delivery” – Kearney

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

A well constructed and insightful article is dealing with the problems facing IT departments managing change within legacy environments. The advent of the cloud has further enabled platform plays that allow new businesses to leapfrog the issues of legacy environments. Coupled with new development approaches such as agile, the old world’s metabolic rate for change is far slower than the new. A two speed IT management market that has ripple effects on market agility.

The article leverages the experience of veterans to distill some interesting insights. A few areas, however, remain unexplored. Enterprise architecture in a platform world is still relevant and can be used effectively to navigate overlaps between platforms and integration issues. Enterprise data is now vital and needs to be managed effectively. Secondly, agile methods often take time to get productive, so organizations need to accept a learning curve that may take a while to embed new approaches and philosophies. In the interim, there will be some turbulence. This is where external parties can help play the role of catalyst and respond at pace when needed.

The article is an excellent review of the challenges facing the world of system development and provides some compelling graphics of platform plays.



## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

JUNE 2021

### “World FinTech Report 2021” – Capgemini

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

This is a very good and differentiated report from Capgemini. Several big consulting firms regularly issue reports on the state of play in the game of fintechs and challenger banks versus the incumbent institutions. We review all of them. These reports are usually based on extensive surveys and present thoughtful commentary on the changes and trends since last time, and their consequences. While this report from Capgemini also stands on large survey data, it's differentiated by its discussion in terms of ideas and strategy frameworks, both for the challengers and the incumbents. It reads like a handbook for thinking about contemporary strategies and business models in financial services, illustrated with case studies and interviews with protagonists. Also refreshing is the way Capgemini takes a back seat and lets a diverse range of the industry players talk. It's not until the last page that you get to the advertisement for Capgemini experts and offices around the world. Worth reading.

MAY 2021

### “Everyone is Within Learning Distance: Building Skills Remotely” – McKinsey

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

A must-read for all leaders with an interest in the future of work. Key McKinsey SMEs examine building skills to succeed for the new remote workplace. With learning more focused on virtual and remote delivery it argues for learning in the new world via practice and application, reinforcement and spacing, intensive and immersive experiences, social learning and collaboration, and motivation and mindsets. In doing so, this will challenge traditional approaches. This suggests that the above learning can only happen successfully when conducted in person, as it is hard to recreate this environment on a virtual basis. The article examines how this perceived barrier can be overcome.



## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

APRIL 2021

### “What Companies are Disclosing About Cybersecurity Risk & Oversight in 2020” - EY

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

Published by the EY Center for Board Matters in late 2020, this excellent summary of 100 company disclosures is a must for any board member or CEO wanting an overview of what others are doing to drive better risk governance for cyber security. Although there are some very encouraging signs that organizations are realizing the existential threat and the impacts on individuals or privacy breaches and outages caused by cyber attacks, this paper reveals much needs to be done. Major gaps include expertise on boards, expertise at executive level, lack of independent advice, and worse yet, no test plans. This reviewer spent the last year assisting a client with responding and recovering from a major cyber incident, and can assure you boards and executives must fully grasp the risk they are governing, or suffer the serious impacts on individuals and the bottom line.

MARCH 2021

### “When Molehills Are Worse Than Mountains” - Strategy&

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

This article seeks to highlight the serious impact of multiple small service failings vs. the large service problems that are usually picked up in customer feedback. The research shows that multiple ‘microfailures’ can be a bigger driver of customer churn than larger service breaches that actually stop the core service being delivered. This is because ‘microfailures’ (e.g. a glitchy entertainment system, uncomfortable temperature, or a seat that won’t fully recline on a plane) often result in the customer feeling reluctant to complain as this could be seen as ‘making a fuss’ and/ or would not result in any positive change/ outcome for them. Conversely, when a significant service failing occurs (e.g. lost luggage or being bumped off a flight) customers typically complain providing an opportunity for the service provider to demonstrate empathy, show remorse, and rectify the situation. These ‘moments of truth’ also allow the brand to both form a lasting positive impact with the customer and systemically improve service. There are more layers to the consumer behavior explained in this article, which is worth a read.



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