



# THE INSIGHTS REVIEW

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## IN THIS ISSUE

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

OPERATIONS & TRANSFORMATION  
PAYMENTS & OPEN BANKING  
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PRICING  
CAREER TRANSITION

MACRO FINANCIAL SERVICES  
RETAIL & BUSINESS BANKING  
CORPORATE & INVESTMENT BANKING  
GENERAL INSURANCE

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

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

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

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- 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&



## Message From the Editor,

My theme this month is ‘Caution’, as the world leaps towards the idea that the worst is behind us. I think it will be much more of a *two steps forward, one step backwards* experience. Why? Because for most countries, testing is for only a very small part of the population and very few have yet to eliminate COVID-19 completely as we have seen in New Zealand. As a result, our readers are urged to take an overly measured and cautious approach to their re-opening and bounce-back plans, because while you want to be in pole position, the safety car is still on the track – and will be with us for some time. If you need help identifying and assessing the risks of re-opening your business, don’t hesitate to reach out to your preferred ICG consultant or nearest ICG HUB.

Our Insight of the Month is awarded to an article reviewed by John LaVacca ([john.lavacca@internalconsulting.com](mailto:john.lavacca@internalconsulting.com)) a partner in Melbourne and a leader in ICG’s Operations practice. Congratulations to the team from McKinsey on their excellent article on re-opening safely.

### Reopening Safely: Sample Practices From Essential Businesses

Stay safe 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**



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# Cross-Industry Functional Topics

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**Operations & Transformation | Payments & Open Banking**

**Cyber Security & Privacy | Pricing | Career Transition**



Cross-Industry Functional Topics

## Strategy & Transformation

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

### “A New Social Contract: Planning in a Post-COVID-19 World” – Bain

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

An unusual perspective that reads more like a gush of journalistic regurgitation than consulting insight. As you read it, you will wish another partner called Herman had written the paper since his work is quoted so heavily and because this author overly peppers the paper with new and old jargon from “Zorms” (for Zoom norms) to ‘PowerPoint enemas’. The basic messages are firstly that planning needs to be integrated – Arnaldo Hax from MIT did the best job of showing how planning processes should reconcile through an iterative up and down process – and secondly that they be more dynamic or agile, which has been covered much more thoroughly elsewhere in *The Insights Review*; and a third section which supplies a useful list of the new Zorms for CEOs and other video call leaders to add to their virtual facilitation tool kit. One new idea worth contemplating is also from Herman and is called a ‘Sight Model’ a quick and dirty planning model that extrapolates from key business drivers without unnecessary complexity but avoiding seat-of-the-pants decision making. Apart from the new Zorms, this is one for a rainy day or those keen to impress with new jargon and catchphrases.

### “Confronting the Crisis” – Deloitte

[VIEW PDF \(17 PAGES\)](#)

A thorough examination of the effectiveness of the ‘transformational change’ program that US firms implemented to respond to the pandemic. It includes sobering findings on the effectiveness of previous contingency plans and a very solid set of recommendations for how all firms should think about investing their risk planning efforts to be better prepared next time.

## “Beyond COVID-19: Five Key Strategic Priorities for a Post-Crisis World” – PwC

[VIEW PDF \(18 PAGES\)](#)

Targeting the insurance sector, this shortish paper recommends five key priorities and provides a simple one-page template of actions and outcomes. The authors do admit that there is nothing new in their recommended five, just that they require acceleration. The five won't surprise you: Realign Cost, Digital Transformation, New Revenue Streams, New Workforce, and Strengthen Capital. Enough said, you were warned. **Ir**





Cross-Industry Functional Topics

## Ecosystems, M&A And Integration

Review by: Peter Dale | ICG Subject Matter Expert | [Contact](#)  
Michael Roch | ICG Global Practice Leader | [Contact](#)

### “Through a Different Lens: A McKinsey Perspective on Separations” – McKinsey

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

McKinsey’s article has a promising title and provides an intuitive framework for the chain of value creation in any divestiture. It also correctly highlights the complexity of separating cross-teams and the like – yet this reviewer would have liked a deeper dive on each part of the framework.

A promising article on a very interesting topic, yet it is simply too short. Perhaps part 2 is to come soon.

### “Navigating Merger Clearance During the Crisis” – BCG

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

BCG provides a good perspective on minimizing delays for regulatory clearance of large mergers. The points made not only apply “during the crisis.” This reviewer particularly appreciates BCG’s analysis of the duration of various stages in the process. Impatient readers skip right to the bottom, where BCG summarizes the imperatives for buyers in relation to merger clearance. The only thing that remains unmentioned is that pre-existing relationships with the merger control regulators is a necessity to facilitate early engagement.

A good read for those on the buy- or sell-side of deals that warrant merger control clearances. Ir





Cross-Industry Functional Topics

## Leadership & Executive Development

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

### “CEO Mission: Lean Into the Unknown” – KPMG

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

This report from KPMG urges leaders to act now in an attempt to prepare their organizations for success in a post-recession world. The article emphasizes the need for an aggressive response to avoid losing ground in the longer term since the recovery will take either a U or L shape, as our hopes for V recovery are vanishing day by day.

The writer articulates the winning response to the current crisis based on the ability of the company to access capital and the constraints they may have within their customer portfolio. The two measures can determine the opportunity to expand, optimize, deepen or select the type of customers they can serve better.

The choices made will result in streamlining delivery channels, go-to-market models and support to customers who create opportunities for long-term value creation. The framework is a robust conceptualization for what leaders need to accomplish as they adapt to the new reality.

### “The Toughest Leadership Test” – McKinsey

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

This article from McKinsey discusses how CEOs cope with the pandemic impact on business, while they try to ‘swim between the flags’, avoiding panic at one end and refraining from wishful thinking at the other end, as they take care of their people and endeavor to re-imagine the future. The article captures how business leaders are responding to the crisis.

The article, while maintaining focus on the current crisis, seems to review what every CEO needs to consider in good and bad times. Still, the one idea that I want to call out is the process of articulating, adjusting and driving the necessary change of narrative to frame behaviors, ambitions and efforts of every employee in the organization. In other words, how to stay focused on purpose and on the values the organization stands for. **lr**

## Cross-Industry Functional Topics

# Risk & Compliance

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

### “Banking Models After COVID-19: Taking Model-Risk Management to the Next Level” – McKinsey

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

An interesting article by McKinsey, and worth a read. It is worth noting that many best-in-class firms follow their suggestions in part or at most. But if you have been in a crisis or managed to one, many models will not perform adequately as their parameters have changed. That’s why you have risk or other executives to add diversity to oversight. Models inform, executives decide.

### “The Investigator-Centered Approach to Financial Crime: Doing What Matters” – McKinsey

[VIEW PDF \(17 PAGES\)](#)

An interesting article which hints at the way forward, so worth a read. However, it is a little old-world in approach. Players are now able to approve clients in about two hours and also be very clear in identifying complex cases equally quickly. Many of the new-world players are able to reduce false positives and typically over time it’s around 5 -10% of cases – which go into a complex bucket, and require investigation and more manual management. The key in all of that is good old-fashioned processing design, aligned to technological development in terms of information gathering, analysis, machine learning and low code software. The article would benefit from being more explicit in this area. Also, in the world of KYC being able to speedily and cheaply review back books, this is majorly important to senior executives in banks – and it is not addressed here. Again, new-world players are moving to address (and are now increasingly able to provide) that assurance, at a fraction of the GBP 7,000 per case that big four audit firms charge to undertake that activity. 



Cross-Industry Functional Topics

## Human Capital

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

### “Back to Work” – Bain

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

The authors of this article have produced a good summary of the current issues, worker survey data and initiatives that employers need to consider when planning the return to work. The article looks at a variety of industries and, where possible, used data across a number of geographic locations. Naturally, some of the information is USA-centric.

This article is well worth the time reading. CEOs, board directors, CHROs and C-Suite leaders would benefit from reading this. There are a number of government information sites available which executives should refer to in planning the return to work in each country of operations. This reviewer encourages the reader to refer to them as a point of reference. Two key issues missed in this article is the reluctance of many workers to use public transport and the risks of presenteeism where workers may show mild symptoms of COVID-19.

### “Diversity Still Matters” – McKinsey

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

This article by the McKinsey team highlights the importance of ensuring that diversity and inclusion remains a critical business success factor for business, recovery, resilience and re-imagination. The article was authored prior to recent events in the USA and beyond which have resulted in international attention over inequity and violence against minority groups.

The authors make the case to continue to focus on inclusion and diversity and seize the moment during the COVID-19 crisis to forge a new commitment to equality. CHROs and CEOs would benefit from taking the time for a quick read.

**“Returning to Work in the Future of Work” – Deloitte****VIEW PDF (12 PAGES)**

This special report from Deloitte builds on their 2020 Global Human Capital Trends Report to make observations of the evidence of particular trends in their previous report and the applicability in the COVID-19 crisis. This reviewer found the section ‘*New possibilities arising from the COVID-19 crisis*’ of particular interest where the trends are discussed and possibilities highlighted for organizations to consider. CEOs and CHROs should consider the content of this paper as they progress to resumption of work and plan the future of work in their organization.

**“To Emerge Stronger From the COVID-19 Crisis, Companies Should Start Reskilling Their Workforces Now” – McKinsey****VIEW PDF (11 PAGES)**

This article is quite an easy read and well worth taking an interest in! The authors at McKinsey & Company have put together a punchy article that quickly identifies three skilling trends that are likely to speed up after the crisis ends, and proposes six steps to re-skilling. Exhibit 1 is particularly useful. CEOs, CHROs and Chief Learning Officers should use this article to audit their own response to the COVID-19 crisis, build the skills required to increase adaptability and develop organizational capabilities to increase organizational resilience whatever the future holds. **lr**



# Operations & Transformation

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

## “Return: A New Muscle, Not Just a Plan” – McKinsey

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

This article outlines the challenges organizations face as they look to restart their business operations in the face of continued uncertainty. McKinsey advocates for the concept of establishing a ‘nerve center’ to plan and guide the business into the ‘next normal’.

McKinsey has produced several recent articles proposing the creation of a cross-functional corporate nerve center dedicated to assessing the evolving state of the market, creating plans and building capabilities to execute asymmetrically during the period of inconsistencies across different states, countries and customer segments. It underscores the importance of data collection, analysis and experimentation to establish the best way forward.

The article is worth a read for executives and consultants that have embraced the nerve center concept. However, it is fairly high level and does not address how companies can provide the resource capacity required to stand up a nerve center while meeting cost pressures and the urgent needs of the day.

## “Unlock Value in Banking with E2E Process Transformation” – BCG

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

This article is primarily marketing content for BCG’s process transformation methodology.

It champions BCG’s end-to-end process transformation (E2E PT) approach for delivering substantial improvements in capacity utilization, cost reduction, customer experience and risk management. The methodology is traditional and well-structured with reasonable time-frames.

The article may be of interest to executives and advisors wanting to better understand BCG methodologies, and to people interested in structuring improvement initiatives.

**ARTICLE OF THE MONTH****“Reopening Safely: Sample Practices From Essential Businesses” – McKinsey****VIEW PDF (11 PAGES)**

The McKinsey article captures learnings from ‘essential businesses’ that continued operating throughout the pandemic while others temporarily shut down. The advice is evidence-based, with a focus on implementing tailored safety across a broad spectrum of activities both within and external to the business.

Exhibit 1 provides an excellent framework for assessing risk by work group. Other sections of the report examine risks across the working environment and extending into workers commuting risks. This is a well thought out article with substantial detail and actionable recommendations.

The article is well worth a read for executives and consultants implementing their own restart initiatives.

**“Restarting Work Safely and Under Control” – BCG****VIEW PDF (5 PAGES)**

The BCG article focuses on an approach to restart business constrained or closed due to COVID-19 restrictions. The emphasis is on how businesses can provide the safety and continuity required to restart operations in a cost effective manner.

The authors set the scene with the graphic ‘Hammer & Dance’ which suggests that we are likely to experience multiple waves of COVID-19 cases, leading to spasms of openings and reintroduced closures. This leads them to recommend a variable approach to restarting businesses and an awareness of the actions that can be quickly applied (and retracted) to deliver a safe and productive environment for improved business continuity.

The article may be of benefit to executives and consultants looking to supplement existing knowledge or stimulate thinking as they embark on their own restart initiatives. It offers a graphic of BCG’s Five-Pronged Approach, and a pragmatic framework for getting a business restarted. **lr**

## Cross-Industry Functional Topics

**Payments & Open Banking**Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)**“Get Ready for the Future of Money” – BCG****VIEW PDF (8 PAGES)**

An in-depth thought piece on digital currencies and on blockchain and distributed ledgers. A good graphical summary of which countries are actively pursuing central bank digital currencies and some simple definitions of the differences between cryptocurrencies, stablecoins, consortium stablecoins, corporate currencies, central bank digital currencies. There is a terrific graphic on their comparative societal impact.

**“COVID-19 & Payments: The Good, The Bad, & The Ugly” – Kearney****VIEW PDF (10 PAGES)**

Based on a survey of 750 individuals completed in March, this short article provides a view on how individuals planned on changing their behaviors due to COVID-19. The article also offers some ideas on how merchant acquirers, banks, and issuers could adjust to support their customers in the challenging time. A three-minute read.

## Cross-Industry Functional Topics

**Payments & Open Banking**Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)**“Accelerating Change in Payments” – Oliver Wyman****VIEW PDF (24 PAGES)**

A good synopsis of a OW’s proprietary shopping outlook survey (US-based) which tracks consumer spend sentiment updated as of April. No big surprises, but interesting to see that large purchases (US \$500) are being deferred, yet future savings intentions are varied. Other notable topics in the downloadable paper include BNPL (Buy now pay later), CNP (Card Not Present) fraud, and loyalty fraud.

**“10 ways COVID-19 is Impacting Payments” – Accenture****VIEW PDF (30 PAGES)**

A very thoughtful article which articulates ten specific impacts COVID-19 will have (and is having) on the payments industry. The correlation between the size of the market and the spread of the virus indicates that the US and Europe have the worst short and medium outlook as spending (travel, leisure, retail, restaurants) is down and the spike from the initial e-commerce boom has normalized. An interesting overview is provided on how UK banks are supporting customers, and discussion about central bank-back cryptocurrencies. Tons of good food-for-thought. As you read this, take into consideration how your local restrictions have affected transactional volumes and the speed bumps it will have to cross in order to recover, as the data cited in the article is UK-based. **lr**



## **“Privacy, Security, & Public Health in a Pandemic Year” – McKinsey**

[VIEW ARTICLE](#)

Aimed at the European countries with an emphasis on the General Data Protection Regulation (GDPR), this article takes on privacy, security and public health issues in a holistic way, giving examples and some practical advice that could be used within any jurisdiction. They did not do much to cover off the topic of COVID-19 tracking apps, which has generated a lot of controversy world-wide, merely dismissing the issue with a wave of the ‘magic GDPR wand’. For tracking apps, this reviewer believes that the problem is not with the creation, but with the creator, and any government could establish and use these tools in a way that could ultimately be used for the unintended purposes – even with privacy laws applied ‘correctly’. The devil is in the detail and application (with assurance) of those technologies. So, will the pandemic raise or lower trust in organizations and governments and their use of technology? As this review is being written, the Australian Prime Minister has declared that Australia is under cyber attack from a nation state. His advice ‘Harden your shields’ also applies to all jurisdictions. We live in challenging times indeed. **lr**


## “Pricing in a Pandemic: Navigating the COVID-19 Crisis” – McKinsey

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

The article is a good, brief review of best pricing practices that should be followed at any time, using the pandemic as a means to bring those into stronger relief. Don't look for any blistering new pricing ideas.

Managers (at any level responsible for establishing pricing strategy) rather than applying tactics, should profit from this quick read.

Its structure makes it easy for readers to quickly understand pricing objectives under three different market scenarios: sharp demand drop, explosive demand increase, muted or lumpy demand. A quick glance at the headers for the five do's and five don'ts during the pandemic provides a quick checklist for pricing leaders.

The next steps suggested, reiterate the importance of maintaining long-term customer relationships. 



Cross-Industry Functional Topics

## Career Transition

Review by: Mark Waterman | CEO of ICG Careers | [Contact](#)

### “Beyond Reskilling” – Deloitte

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

A compelling read for everyone charged with leading people and people development in the new ‘age of disruption’. The article argues that organizations will be ill-served by adopting traditional approaches to reskilling as the very tenant of reskilling has already changed from skill to capability. The ability of organizations to unlock creativity through innovation, problem solving and diversity of thought will be critical. This is to be achieved by moving organizational context from an internal to an external focus. The article suggests that the new approach to workforce development is a strategy of building workforce and organizational resilience. It cites examples of leading edge approaches by organizations such as Amazon, Lowes and Chipotle to support the above cases.

Reviewers note: ICG Careers Career Transition as Usual approach is the ideal process to create the above culture by enabling individuals to establish their own career paths and take control of their career futures. In doing so, opportunities to do the unexpected will be identified.

### “The Trick to Job Switching” – Korn Ferry

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

The article features tips on successfully dealing with the increasing need for job switching in today’s rapidly changing job market. There should be a focus on transferable traits that are needed in today’s new normal such as dealing with ambiguity, resilience and courage supported by achievements, networking to access the hidden job market and further study. A worthy read as it touches on a topic that is only going to increase in relevance over the coming months.



Cross-Industry Functional Topics

## Career Transition

Review by: Mark Waterman | CEO of ICG Careers | [Contact](#)

### “You’ve Been Furloughed. Now What?” – HBS

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

This article analyzes the decision making processes for individuals impacted by furloughs: Should I stay or should I go? It provides five criteria for decision making including: financial necessity, is the new opportunity better than the current role and up-skilling rather than moving? The article sees the furlough as an opportunity to redefine your career direction. With over 18 million Americans alone being furloughed since mid-march, this is a must read for anyone who has been impacted or may be impacted in the coming months. [lr](#)





# Industry-Specific Topics

In this Section:

**Macro Financial Services | Retail & Business Banking**  
**Corporate & Investment Banking | General Insurance**

## Industry-Specific Topics

**Macro Financial Services**Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)**“COVID’s Unexpected Impact in Banking” – Bain****VIEW PDF (8 PAGES)**

This insight usefully dispels the idea that banking has enjoyed the dramatic shift to digital experienced by other industries. It then reminds us that digital almost always delivers a better customer experience, and that the benefit differs markedly at different steps in the customer journey. It then deteriorates into an advertorial piece to supra-regional US banks to access a better return on their digital capabilities with Bain’s help.

**“New Decade, New Crisis: Lessons Learned From The Global Financial Crisis & Why This Time it’s Different” – Kearney****VIEW PDF (5 PAGES)**

A shortish and high-level episode in a series on how the crisis is impacting banking (while European banking is the focus, the lessons are generally applicable). This is not new, so is good general background reading for more junior executives and internal consultants. **Ir**

## Industry-Specific Topics

**Retail & Business Banking**Reviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“No Going Back: New Imperatives for European Banking” – McKinsey****VIEW PDF (12 PAGES)**

An interesting read that makes the point that the crisis has shown banks the art of the possible – they have achieved changes within a time-frame that was previously unthinkable. With that in mind, McKinsey suggests a set of priorities that will help banks return to profitable growth as the crisis subsides.

In addition to the obvious and essential steps of product innovation, digital banking, cost improvement and risk management, the article adds the idea that banks should reset the organization for speed and agility embedding, through building in capability around rapid staff redeployment.

**“A New Normal: Fortifying Your Distribution Channels in a World Post-COVID-19” – Kearney****VIEW PDF (16 PAGES)**

The trend towards digital banking is accelerating and irreversible, and banks will need to reshape their distribution models and embrace an omni-channel approach to client servicing. We have seen this concept set out many times before.

This article adds some proof points showing how the trend has accelerated through the current crisis, and predicts that 70% of account applications and openings will take place digitally within three years.

## Industry-Specific Topics

**Retail & Business Banking**Reviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“How Australian Banks Can Make a Difference to Their Customers Amid a Global Pandemic” – Kearney****VIEW PDF (14 PAGES)**

This article focuses on the impact of the crisis on banking customers, showing that while a high proportion of surveyed customers have heightened financial concerns, they aren't turning to traditional sources of advice – such as bankers and financial advisers.

Banks have an opportunity to respond more proactively through personalized advice and support. The article seeks to set out some potential approaches to this challenge, although these are somewhat light-touch.

**“COVID-19: Implications & Next Steps for Mortgage Lenders” – Accenture****VIEW PDF (14 PAGES)**

An article focused on the US mortgage lending market predicts that up to 15 million US households may require assistance in the form of a loan forbearance or modification. The article suggests a program of activity for lenders to address the coming tide of delinquencies and loan servicing challenges. However, there is not much depth in the analysis. OK to skip.



## Industry-Specific Topics

**Retail & Business Banking**Reviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“Diverging Paths: Banks’ Health Varied Widely Going into COVID-19” – Bain****VIEW PDF (11 PAGES)**

Taking an original approach, this article looks for variation in the experience of banks during the crisis, based on analysis of their ‘starting position’ through the dimensions of profitability, efficiency and balance sheet strength. Four segments of banks identified using a familiar two-by-two matrix. It is suggested that the response of retail banks to the crisis will vary based on this segmentation approach, with individual banks either to aim at extending their advantage, or else restoring their financial, or restoring profit margins and/or balance sheet strength. **lr**



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**ICG**

## Industry-Specific Topics

**Corporate & Investment Banking**Reviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader | [Contact](#)**“How Private Equity Operations Teams Create Value” – Kearney****VIEW PDF (16 PAGES)**

This article is not so much akin to the reheating of a meal prepared last week, but more akin to the defrosting and then presenting a meal that was cooked over five years ago! All the right ingredients are there, and it would not taste so bad (even if it is a little the same as others your reviewer has digested), but noting that it from a survey in 2014 is a little ... off.

The ten themes for success in PE that are listed are all fine, but not new – not new at all. We have not seen Kearney in this section of *TIR* for some time (if ever). Maybe the re-branding from AT Kearney has their team reheating old cooking. No mention of the issue du jour for PE – COVID-19 – see following for that.

**“How Private Equity is Responding to COVID-19” – EY****VIEW PDF (27 PAGES)**

For all the good stuff, click on the full report: ‘PE Pulse April 2020’ on the landing page. It’s a comprehensive assessment of the PE Landscape by EY. If the 27 pages are too much for you, there is a concise executive summary that is comprehensive. The full report is recommended for a detailed look into the current situation facing PE for those that need to know.

## Industry-Specific Topics

**Corporate & Investment Banking**Reviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader | [Contact](#)**“Opportunities for Private Equity Post-COVID-19”  
– Deloitte****VIEW PDF (9 PAGES)**

A thought-provoking article by Deloitte, that takes a view from multiple perspectives on the opportunities and challenges that arise post-COVID-19 relating to the role of private equity. Not a long read, so worthwhile – even for those not in the PE sector, but for all who may come into contact with PE going forward.

**“What Next for SME and Corporate Banking?” – Bain****VIEW PDF (3 PAGES)**

Not much here – just a list of areas for corporate banks to shift on, if they aim to succeed with SME customers via a ‘customer-priority-centered mindset and approach’, according to Bain. **lr**



## **“Insurance Resilience in a Rapidly Changing CoronaVirus World” – McKinsey**

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

A good article with all the classic attributes of a McKinsey op ed piece – however, it is well worth reading. The key quote is ‘to go for pragmatic and fast solutions rather than perfect solutions (speed is a strategy in itself)’. It brings to mind one of the great strategist Costas Markides’ observations that ‘a bias to action is what differentiates successful firms’. This writer believes that is the key lesson to take out of this: speedy analysis, speedy action, or 80/20 decision making.

## **“Insurers Step up as Financial First Responders” – Deloitte**

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

This is a defense of the insurance industry that claims a payment record in COVID-19. The point it misses is that insurers have to be very careful about their reputation, and a few cases of incorrect declinations can exercise disproportionate damage. Declining claims should not just be left to claims functions, it has a marketing and brand impact. Perhaps that should have been the subject of the article.



Industry-Specific Topics

## General Insurance

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


### “Future-Ready Insurance Systems” – Accenture

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

Worth a read, but covered very well by McKinsey in many previous articles.

### “COVID-19: Could Liquidity Challenges be on the Way for Insurers?” – KPMG

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

The reviewer liked this article very much. Well considered, well structured, forward-looking and very interesting. All in all, an example of innovative thinking. The writer urges all senior insurance executives to read this. The risks may not realize, but as ever, with liquidity it is better to understand the potential risks to ensure you put in place mechanisms to avoid realization. 

REVIEWS OF THE WORLD'S LEADING INSIGHTS



# THE INSIGHTS REVIEW

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## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



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MAY 2020

### “Recovering From a Crisis & Boosting Resilience” – BDO

[VIEW \(18 PAGES\)](#)

A comprehensively structured checklist packaged in an easy to digest PPT format makes this new insight from BDO a deserving winner of our article of the month. While the authors are clearly UK-based, the messages and wisdom are globally applicable. The insight starts with what has become the industry standard R-filled acronym: React, Resilience, Realize, and Rethink, and as appropriate for a firm with a financial heritage it then details the most relevant financial scenarios, but then dives deeper than the other firms with an interactive web tool that provides up to the minute guidance on seven key areas for management attention: premises, financial, legal and compliance, suppliers, employees, customers and management and leadership. Each section contains a well-developed suite of initial items for action or review. For any internal consulting function or management team, this insight provides the perfect starting point for planning an optimal covid response.

MARCH 2020

### “Future of Finance: The Human Perspective” – KPMG

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

This paper is a valuable resource for CEOs, CFOs and CHROs looking to ensure that proposed finance transformation programs have the appropriate investment in people to ensure the programs success. The article is easy to read and covers the catalysts for a finance transformation and examines the key findings of a global survey and good practice case studies. This is more of a useful tool or resource rather than just another research paper. It includes questions for the reader with the ability to see instant results from all respondents to those questions. Figure 2 details a model for the shape of the finance function in the digital world.

A well prepared resource which would be a great investment of time to review!



## ARTICLES OF THE MONTH

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DECEMBER/JANUARY/FEBRUARY 2019-2020

### “How Can Your Growth Strategy Evolve Faster than the Market?” – EY

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

A helpful and novel insight from EY which appears to expose the IP they have acquired through a boutique acquisition.

The insight starts with a general introduction regarding how to define a strategic context and rightly emphasizes that innovation and technology can make traditional approaches obsolete. (Side note: ICG solves this issue by helping clients to build a strategic disruption radar capability that continually monitors and updates the most likely strategic consequences of new entrants, and innovations. This reviewer also personally recommends a summary analysis he calls “Who is winning and why? And, who is losing, and why?” as the best way to illuminate strategic choices that are working or not).

The rest of the insight focuses on a new industry portfolio tool which uses Relative Market Share (rather than absolute) and absolute return on sales. This approach nicely demonstrates the margin benefits that accrue from scale which will work well for commoditized industries; those industries with players targeting high margin segments will need other tools.

A helpful contribution and well worth a read by all our readers.

NOVEMBER 2019

### “Global Retail Banking 2019: The Race for Relevance and Scale” – BCG

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

An excellent article from BCG explores how digital disruption is reshaping retail banking value chains, resulting in a shift from vertical integration towards a platform-based or “stacked” industry structure. This is a transformative change, leading to the emergence of new business models.

For example, companies that develop leading customer interfaces can offer consumers a broad variety of financial and other services through ecosystems, without having to develop their own banking products and infrastructure. At each layer of the stack, technology enables the modularization of services and challenges the integrated universal-banking model.

Incumbent banks will need to develop new capabilities, and to carefully determine the business model they want to pursue in the emerging industry landscape – whether full-service, ecosystem-based, or product-only. The article includes a very useful taxonomy of the business model design choices available to incumbents and insurgents.

Well-presented, and highly readable.



## ARTICLES OF THE MONTH

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OCTOBER 2019

#### “Retail Banking Distribution” – BCG

[VIEW PDF \(17 PAGES\)](#)

In recent years, we at *TIR* have seen many articles on the disruption of retail banking distribution. This article from BCG stands out in articulating a compelling view of the key trends that are driving change across banking distribution, and the key shifts that banks will need to make.

The trends explored include the expanding suite of channels, devices, and social networks that banks will need to leverage to connect with their customers, the blurring robo-human interface, and the ongoing drive towards mass personalization through use of customer data.

Achieving the shift will require profound transformation, and the article sets out some of the changes required. For example, banks will need to develop automated-routing capabilities to choose the best delivery option for each interaction based on the customer potential and nature of the request. Banks will also look to increasingly establish extended ecosystems based on Open Banking and through enabling third-party APIs, as a way of extending their reach and accessing new capabilities.

Recommended reading for those working on digital disruption or channel strategy – and a worthy winner of our *Article of the Month*.

SEPTEMBER 2019

#### “The Productivity Imperative in Insurance” – McKinsey

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

A good read for insurance executives, and in its way groundbreaking.

The author’s main take out is the need to strategically invest, and secondly, reduce business complexity.

Worth reading more than once as it will provide executives with a blueprint to adjudge initiatives.



## ARTICLES OF THE MONTH

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AUGUST 2019

### “Breaking the Commodity Trap in Trade Finance” – BCG

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

Though the title suggests that the article is limited to international finance, it actually provides an excellent example as to how B2B companies can apply a systematic pricing approach when prices are negotiated by regional sales managers (RSMs) with extensive discretionary pricing leeway.

It leads readers through a three-step approach:

1. A quantitative analysis of existing data to identify the extent to which “field discretion” can account for price dispersion;
2. The implementation of new pricing models and guidance that is more aligned to evolving market conditions; and
3. The provision of robust pricing tools as well as coaching and training for an effective change in pricing discipline.

This will be of interest to senior-level sales, pricing, and finance executives responsible for overall profit maximization on a corporate level, where products have been viewed as commodities.

The article is relevant to a number of industries where rapid changes are occurring and latent profit potential opportunities need to be identified and exploited.

JULY 2019

### “Optimize Social Business Value” – BCG

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

Wow – a tremendous insight from BCG. Not just a reminder that purpose led strategy is on-trend, this is a wonderfully thoughtful and comprehensive framework-based approach to merging business sustainability and sustainable competitive advantage. The highlight is seven sustainable business innovation ideas that would create a wonderful basis for any internal consulting team tasked with exploring this issue.

It is a worthy joint winner of our *Article of the Month*, and is highly recommended for all readers.

### “Does Digital Leadership Matter?” – Accenture

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

A long but very valuable insight from the most senior team at Accenture. The first message is the sobering news about the proportion of revenue that is going to non-traditional players. While the message is obviously self-serving (technology-enabled strategy wins), the analysis and logic are compelling. The writing also has an unusual edginess to it – as if the non consultant trained editor was overruled – which allows for many more thoughts and left-of-centre insights to be packed in. This makes this insight differentiated from the rest of the pack. It is well worth a read, and a deserving co-winner of our *Article of the Month*.

## ARTICLES OF THE MONTH

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JUNE 2019

### “Pursuing Cybersecurity Maturity at Financial Institutions” – Deloitte

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

This must-read, high quality paper is based on a survey fielded by the Financial Services Information Sharing and Analysis Center (FS-ISAC), in conjunction with Deloitte’s Cyber Risk Services practice in the fall of 2018. It is clearly written and with excellent insights on resilience, cyber maturity, spending, and the “hidden game” that leaders with adaptive cybersecurity play.

This one will interest business unit leaders, CISOs, CIOs, and CROs, as well as board members interested in a business perspective vs. a lot of jargon and discussion around cyber hygiene and cyber threats.

Well done, Deloitte.

MAY 2019

### “Why Organizations Should Be Concerned About Privileged Accounts” – EY

NO LONGER AVAILABLE

Although it is often passed over as a key security topic, privileged account management (PAM) is getting increased attention from regulators worldwide due to several high profile attacks.

This quick read is ideal for board or executives interested in understanding key controls in this important area, and could be used by CISOs as an outline for a PAM improvement project in their organizations – provided that they also apply a risk lens on the business unit or process to be secured. Although this paper was developed within the Asia Pacific market, it would apply to any other; just replace the relevant country or state regulation for compliance purposes.

Ultimately, compliance should be a by-product of good privacy and security controls, as described here for PAM.



## ARTICLES OF THE MONTH

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APRIL 2019

### “Large-Scale M&A: Capturing Value Demands Flawless Integration” – Bain

[VIEW PDF \(21 PAGES\)](#)

As part of its larger private equity study, Bain focuses on what makes large-scale M&A successful when executed by mega-PE houses.

This article is a rare instance where the title under-promises and over-delivers. It is exceptionally well-written, engaging and useful.

It is a must-read for anyone involved in structuring, performing due diligence, or integrating M&A transactions, large and small.

MARCH 2019

### “AI Risk: The Newest Non-Financial Risk Every CRO Should Be Preparing For” – Oliver Wyman

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

In order to create a competitive advantage while increasing efficiency and customer experience, financial institutions seek to augment their operations with Artificial Intelligence (AI) technology. Examples of AI usage include customer onboarding processes, real-time fraud detection, and support in underwriting as well as pricing decisions.

However, according to Oliver Wyman’s article, organizations are less prepared to manage risks incurred through the use of AI technology. Contrary to traditional risks which are well understood, risks associated with AI technology are composite and complex in nature, spanning multiple horizontal as well as vertical dimensions. Oliver Wyman suggests creating a separate risk category for AI technology which requires:

- Clear definition of risk appetite, operating model, and surrounding governance
- An inventory with all current and future AI endeavors
- Clear definition of 2nd line ownership including in descriptions of roles and responsibilities across all specialties, and
- Collaboration along the entire governance structure resulting in a risk-based, tiered management approach.

While some may consider AI risks as a future problem, due to the increased use of AI technology in today’s environment associated risks need to be identified, assessed, and managed simultaneously. The article is therefore a recommended read for all risk executives across all three lines of defense and technology professionals.



## ***The Insights Review 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:

**Alain Miloche** ✉

ICG Practice Leader Pricing

**Andrew Boyes-Varley** ✉

ICG Financial Services  
Practice Leader

**Greg Barnier** ✉

ICG Practice Leader  
Human Capital

**John LaVacca** ✉

ICG Global Practice Leader  
Operations & Transformation

**Julian Cappe** ✉

ICG Practice Leader  
Retail & Business Banking

**Mark Waterman** ✉

CEO of ICG Careers

**Michael Roch** ✉

ICG Global Practice Leader

**Mike Trovato** ✉

ICG Practice Leader  
Cyber Security & Privacy

**Peter Dale** ✉

ICG Subject Matter Expert

**Ryan McQueen** ✉

ICG Practice Leader  
Global Payments

**Wade Azmy** ✉

ICG Global Practice Leader



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## **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)

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