



# THE INSIGHTS REVIEW

© Internal Consulting Group Pty Ltd 2021

## IN THIS ISSUE

STRATEGY  
LEADERSHIP & EXECUTIVE DEVELOPMENT  
GOVERNANCE, RISK & COMPLIANCE  
HUMAN CAPITAL  
INNOVATION & DISRUPTION

PAYMENTS & OPEN BANKING  
CYBER SECURITY & PRIVACY  
TRANSFORMATION  
MACRO FINANCIAL SERVICES

RETAIL & BUSINESS BANKING  
WEALTH & ADVICE. INVEST. & FUND MNGT.  
GENERAL INSURANCE  
LOCAL GOVERNMENT & HEALTH

## 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.

## 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 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's 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
- 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,

The period before the Northern Hemisphere holidays is often a little thin, as the consulting firms realize that publishing just before the holidays is not as good an idea as when people come back to work. This month fits the bill, with the ICG team having to work much harder to find the diamonds in the rough. The shiniest of the rough diamonds was found by ICG expert Mark Waterman, the CEO of ICG Careers (Mark can be contacted for further details via [mark.waterman@internalconsulting.com](mailto:mark.waterman@internalconsulting.com)). Congratulations to the team at McKinsey.

## **Everyone is Within Learning Distance: Building Skills Remotely - McKinsey**

A client recently asked what we have been working on recently at ICG, so this month I am pleased to add a list of some of the most interesting projects. 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.

- Strategy and business planning for a pre-IPO platform business model
- International expansion strategy for a successful Australian utility
- Acquisition and integration support for a major property portfolio
- Future of wealth advice value proposition development
- IT strategy and architecture for a leading not-for-profit
- Future models of Retail Bank Distribution
- How to build a bridge between banking and general insurance
- Operating Model Design and Customer Experience Pathway blueprinting for a leading medical roll-up
- Future of Consumer Transportation scenarios for a major motoring organization
- Future business model design for a large scale P&C insurer
- Best practice recognition programs around the globe.

My colleagues around the globe are welcome to submit ICG Project GONGS for consideration to be included in this list each month. For access to all of our projects please go to [www.internalconsulting.com](http://www.internalconsulting.com).

Happy ICG'ing

**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>07</b>
Where New Ideas in Management Come From? - BCG	
Putting Digital at the Heart of Strategy - Deloitte	
Do Your G&A Functions Fit Your Growth Trajectory? - McKinsey	
<b>Leadership &amp; Executive Development</b>	<b>09</b>
Help Your Employees Find Purpose: Or Watch them Leave - McKinsey	
<b>Governance, Risk &amp; Compliance</b>	<b>10</b>
A Strategic Vision for Model Risk Management - McKinsey	
Non-Financial Risks Reshape Banks' Credit Portfolios - BCG	
Strategic Risk: The Next Frontier for Enterprise Risk Management - Kearney	
<b>Human Capital</b>	<b>12</b>
Building Workforce Skills at Scale to Thrive During - & After - the COVID-19 Crisis - McKinsey	
What Employees Are Saying About the Future of Remote Work - McKinsey	
<b>Innovation &amp; Disruption</b>	<b>13</b>
Back to the Future: Resuming the Long-Term Agenda for Business - BCG	
Overcoming the Innovation Readiness Gap - BCG	
<b>Payments &amp; Open Banking</b>	<b>14</b>
Technology-led Shifts & Opportunities in Card-based Payments - McKinsey	
<b>Cyber Security &amp; Privacy</b>	<b>15</b>
New Models for Building Digital Trust: An Interview with MIT's Sandy Pentland - Deloitte	
Cybersecurity in Iberia: Aligning Business & the Board - McKinsey	
Deloitte Australian Privacy Index 2021: The Future of Privacy in Australia - Deloitte	
<b>Career Transition</b>	<b>17</b>
Driving the Future of Finance with a Remote Workforce - Deloitte	
Intentional Learning in Practice: A 3x3x3 Approach - McKinsey	
Everyone is Within Learning Distance: Building Skills Remotely - McKinsey	
Decoding Global Reskilling and Career Paths - BCG	
<b>Transformation</b>	<b>19</b>
The Relevance of IT Cost Management & Transformation - Strategy&	
How Capability Building Can Power Transformation - McKinsey	

**Industry-Specific Topics >>**

# Industry-Specific Topics

<b>Macro Financial Services</b>	<b>21</b>
Disrupting the Disruptors: Business Building for Banks - McKinsey	
<b>Retail &amp; Business Banking</b>	<b>22</b>
The Coming Opportunity in Consumer Lending - McKinsey	
Retail Banking in Europe: Challenges & Opportunities in a Tumultuous Year - Kearney	
<b>Wealth &amp; Advice and Investment and Fund Management</b>	<b>24</b>
A Blueprint for Leading in Sustainable Investing - BCG	
<b>General Insurance</b>	<b>25</b>
Embracing the Human Side of the Bionic Insurer - BCG	
<b>Local Government &amp; Health</b>	<b>26</b>
Transforming Public Services to Meet Public Needs & Expectations - KPMG	
AI Brings Science to the Art of Policymaking - BCG	

## Special Feature | Contributors | About ICG

<b>The Best Insights from the Past 12 Months</b>	<b>27</b>
<b><i>The Insights Review Team</i></b>	<b>34</b>



# Cross-Industry Functional Topics

In this Section:

**Strategy | Leadership & Executive Development | Governance, Risk & Compliance**  
**Human Capital | Innovation & Disruption | Payments & Open Banking**  
**Cyber Security & Privacy | Career Transition | Transformation**

## Cross-Industry Functional Topics

# Strategy

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

### “Where New Ideas in Management Come From?” - BCG

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

A fascinating article from a Warwick Business School Professor published through the Henderson Institute. The article offers a prescription for how to generate the next big idea in management using four straightforward steps. Search for adjacent possibilities is the first, and the author nicely gives a plug for his own work so the idea of writing for BCG for free to generate cascading or viral references should be a fifth approach! The second is to welcome procrastination and even laziness, the third is set up ideas labs, and the fourth is to seek external validation. Each approach is illustrated with a behind-the-scenes revelation of how some of today's biggest ideas (like the balanced scorecard) came about. Creating a new management idea might be a little ambitious for the average internal consulting team, but with the benefit of this insight, why not shoot for the stars?. **DM**

### “Putting Digital at the Heart of Strategy” - Deloitte

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

Synthesized results from a survey of 2000 executives worldwide on the importance of digitization to a company's strategy and business model. Lots of arguments for - none against - and you have seen them all before many times, perhaps packaged differently. This one comes with case studies; including the usual suspects and a sprinkling of newbies. This is one for internal consultants to skim, and executives to skip. **DM**



## Cross-Industry Functional Topics

# Strategy

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

### “Do Your G&A Functions Fit Your Growth Trajectory?” – McKinsey

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

Guidance for the K-shaped economy, German and Polish McKinsey seniors analyzed the HR and finance functions of 300 manufacturing firms and found that when companies shrink they do a great job of right-sizing HR but tend to bloat finance because HR can jettison operational roles, while finance adds on strategic finance tasks. The article has little more to say than that, so another one to skip. **DM lr**



## “Help Your Employees Find Purpose: Or Watch them Leave” – McKinsey

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

Last month we addressed the topic of psychological safety in a McKinsey article. In the current review, we picked the case of psychological meaningfulness. A meaningful job has a purpose, and it provides the employees with a sense of value, return on effort, and capacity to contribute and be recognized.

A coherent purpose is an integral component of employee identification. Employees who identify themselves with organization purpose view the success or failures of the organization as their own, and their perception of organizational identification can be influenced by messages they receive from the organization to link their values and goals to the organization's purpose.

Employees who experience psychological meaningfulness at their workplace are likely to demonstrate a high level of organizational commitment, organizational citizenship behaviors and positive attitudes; they simply flourish. Conversely, when people fail to sense purpose and meaningfulness in what they do, they languish slowly, and they end leaving to a better place.

*ICG Leadership* conducts leadership programs to support leaders in cultivating the psychological conditions of safety, meaningfulness, and availability in the workplace. **WA lr**

Cross-Industry Functional Topics

## Governance Risk & Compliance

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

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

Jason Smith | ICG Practice Leader: Governance, Risk & Compliance | [Contact](#)

### “A Strategic Vision for Model Risk Management” - McKinsey

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

This article summarizes McKinsey’s survey and various round-tables held on the topic of model risk management (MRM). More than 150 model risk managers from nearly 100 institutions participated in the survey. The results showed three areas of focus: the impact of COVID-19 on MRM, the evolutionary changes in MRM, and the challenges posed by models using artificial intelligence (AI) and machine learning (ML). The direction and solutions McKinsey suggests MRM is reasonable; more investment in talent (McKinsey highlighting the current talent shortage) to enable MRM to utilize the Artificial Intelligence and Machine Learning capabilities (now emerging and becoming critical to model design) and MRM; taking a more enterprise-wide and business strategy approach to MRM (by providing an assessment across portfolios of risks), including non-financial risks. In summary, going beyond mere technical model validation. **AH**

### “Non-Financial Risks Reshape Banks’ Credit Portfolios” - BCG

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

This BCG study is aimed at providing a vision for the next steps in credit portfolio management (CPM) and how non-financial risks and ESG factors may have an increasing impact on business performance. A good study for those managing CPM teams, and outlines a pathway for them to move up the BCG CPM maturity scale. **AH**


Cross-Industry Functional Topics

# Governance Risk & Compliance

Review by: Peter Dale | ICG Subject Matter Expert | [Contact](#)Alan Hui | ICG Practice Leader: Governance, Risk & Compliance | [Contact](#)Jason Smith | ICG Practice Leader: Governance, Risk & Compliance | [Contact](#)

## “Strategic Risk: The Next Frontier for Enterprise Risk Management” – Kearney

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

Kearney has presented a clear observation on how banks have been challenged by the amorphous area of ‘strategic risks’. The approach they present is clear and outlines the challenges on how to frame strategic risks in a way that is relevant to boards and senior management. Setting out the ‘why, who and how’ strategic risks could be managed in banks could be a helpful way for those advocating – or responsible for – strategic risk management in banks to utilize. The article prompted an approach I have executed successfully in the past that differentiates strategic risks from the mass of operational and compliance risks that can overwhelm a bank or large organization. Strategic risks are risks taken in order to execute in a strategic direction or change. The strategic choices (and strategic options discarded) can lead to a clear articulation and management of associated strategic risks. For example: ‘ We have made this strategic choice (choice or action described) in order to achieve this strategic objective (describe strategic object) understanding that we may face the following strategic risks (describe the risks, both upside and downside). This framing can lead to risk management and oversight by the board and senior management in a strategically relevant structure. **AH** 

### FEATURED REVIEWER

## Alan Hui

**ICG Practice Leader Governance, Risk, & Compliance**

Alan brings together substantial experience from a senior corporate executive and consulting career leading organizations through disruption, crisis and transformational change. As a senior executive specializing in governance, risk and compliance in organizations subject to intense pressure and opportunity, Alan’s purpose- and values-led approach, coupled with leading industry and technical expertise has delivered amazing results to businesses, customers and stakeholders. His passion is supporting organizations that leverage governance, risk and compliance to navigate the right course, improve decisions and optimize performance.

**Contact Alan Hui****M:** +61 (4) 21 050 799**E:** [alan.hui@internalconsulting.com](mailto:alan.hui@internalconsulting.com)

## “Building Workforce Skills at Scale to Thrive During - & After - the COVID-19 Crisis” – McKinsey

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

An easy to read article from the McKinsey team. At first, the reader would think that it is stating the obvious: re-skilling or up-skilling teams is more effective than hiring for skills. However, the article contains evidence-based insights from a recent global survey about how organizations are going to achieve successful skill transformation. This is becoming a priority for more organizations.

Nine key practices that support the three phases of skills transformation have been identified (skim readers should refer to Exhibit 4). I also found Exhibit 2, which outlines the areas of focus by respondents (social, emotional and advanced cognitive), and Exhibit 6 which reports the most suitable learning formats, particularly insightful.


Less than a 10-minute read and in a format that skim readers will enjoy. I encourage all CEOs, CHROs, and CLOs to invest the time in this one. **GB**

## “What Employees Are Saying About the Future of Remote Work” – McKinsey

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

This article from McKinsey is a series of charts sourced from *Re-imagine Work Employee Survey Dec 2020 - Jan 2021*. The charts examine the survey findings and shed light on what employees want from the future of work. Unsurprisingly, it tells the story that employees want more certainty – and uncertainty creates anxiety, which negatively impacts productivity.

Exhibit 6 highlights that employees want a more flexible working model after the pandemic is over. Exhibit 7 on talent risk will be of particular interest. The other Exhibits are worth reviewing for a number of insights.

The article is a quick and easy read (highly visual). CHROs, CEOs and executive teams are encouraged to review and consider the expectations of employees in our dynamic business environment. **GB** 


## “Back to the Future: Resuming the Long-Term Agenda for Business” – BCG

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

This article is not about disruption from innovative business models or technology; it is about applying lessons from dealing with the shock of the pandemic to long term business planning, while remembering that long term issues present before the pandemic are still with us and need attention too. BCG discusses resilient business systems, reasons to accelerate digital transformation of organizations, and actions to respond to the increasing pressure on business to mitigate the causes and risks of climate change. All sensible stuff, but not really telling us anything we don't already know is important to do. **RD**

## “Overcoming the Innovation Readiness Gap” – BCG

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

Having got your attention with the superior returns possible from investing in companies in their top 50 most innovative companies list, BCG goes on to discuss the features that distinguish the top 50 from other large companies. It won't surprise you that the C-suite owning the innovation agenda is a characteristic of innovative companies. Less obvious (but very pleasing to see), is evidence that diversity of people is a leading indicator of long term improvement in innovation performance. The next two chapters of the report (if you downloaded the PDF version) discuss BCG's innovation agenda for a CEO, and getting product and sales teams to work together well. Of the two BCG articles reviewed in this section, this one is the more interesting read. **RD** 



Cross-Industry Functional Topics

## Payments & Open Banking

Reviews by: Ryan McQueen | ICG Global Payments & Open Banking Practice Leader | [Contact](#)

### “Technology-led Shifts & Opportunities in Card-based Payments” – McKinsey

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

This short article highlights many of the newer types of technology and capabilities being deployed today from companies who have modernized the legacy payments infrastructure. It does a good job of describing the different phases of payment infrastructure from current, monolithic traditional, to the future, end-to-end payments as a service. If you are contemplating upgrading your payments infrastructure, or building from scratch, make sure you thoroughly think through the four questions at the end of the article which consider extensions and innovations, decoupling of workflows, connectivity, and regulatory change. **RM** 

## “New Models for Building Digital Trust: An Interview with MIT’s Sandy Pentland” - Deloitte

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

An interesting read, based on an interview with MIT’s Alex ‘Sandy’ Pentland, a world-leading data scientist and founder and director of MIT Connection Science who has pioneered computational social science, using big data and artificial intelligence (AI) to better understand human society, and the Trust Data Alliance. This article is more about establishing trust through your organization’s business model and how it handles and uses data. A lot of the article really deals with business ethics and behaviors and privacy regulation. All critical issues as we evolve our digital platforms. **MT**

## “Cybersecurity in Iberia: Aligning Business & the Board” - McKinsey

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

This very good and approachable article from the McKinsey Risk and Resilience practice really could apply to anywhere worldwide, with limited specific references to Iberia or, more broadly, Europe. Just insert your specific country or market regulations as you read. Many organizations like major banks are well advanced in this journey, but for the rest, the four key factors apply. I would also suggest a fifth: recruit board members (and executives) with appropriate cyber security and privacy experience, or obtain it from professional advisers. This is more critical than ever, as data is accounted for on the balance sheet, it is your greatest asset, and your greatest liability. **MT**

## “Deloitte Australian Privacy Index 2021 Seeing Beyond the Surface: The Future of Privacy in Australia” - Deloitte

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

Deloitte has been doing good Australian privacy surveys for a few years and this one echoes findings that increasingly demonstrate the need for boards and executives to determine an appropriate privacy stance and then govern and manage to meet their stakeholders' expectations for more resilient and market-driven outcomes. A key focus for this one is the right to erasure (also known as the right to be forgotten); AI and automated processing; and targeted online advertising - all highly supported by consumers. People interested in understanding some of the global implications and trends for digital platforms should also look at the recently published Office of the Australian Information Commissioner research conducted by a leading ICG Professional Consultant [here](#) which points towards the future of the Privacy Act. **MT** 



## Cross-Industry Functional Topics

# Career Transition

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

## “Driving the Future of Finance with a Remote Workforce: How CFOs Can Support Workers in a Virtual Finance Function” – Deloitte

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

This thought-provoker by Deloitte’s US team is not just for CFOs! It examines how CFOs can support workers in the new virtual world of the finance function. Now 73% of finance workers work from home (to some degree) and it is estimated that 90% of finance work can be done virtually. The article explores how CFOs can re-architect finance work via automation; unleash the workforce – ‘no office, no limits’ to access to top talent globally; adapt the workplace by creating connectivity (both live and virtual.) This highlights the call for new skill development to match this new paradigm. **MW**

## “Intentional Learning in Practice: A 3x3x3 Approach” – McKinsey

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

The McKinsey team takes their view of intentional learning to the next level with the 3x3x3 approach. This is about developing continuous learning by creating a defined number of clear and immediate goals, a defined period to meet these goals and a defined group of people who can support and monitor progress – 3 goals, 3 months and involving 3 people. **MW**

## ARTICLE OF THE MONTH

## “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. **MW**

## “Decoding Global Reskilling and Career Paths” – BCG

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

CEOs at the forefront of the push into the future of work will find this comprehensive study a key cornerstone of their strategic thinking. BCG and The Network have collaborated on this global study of 209,000 people across 190 countries. The study highlights that 70% of workers globally are willing to retrain as a result of workplace changes brought on by the pandemic. This sets the scene for vast workplace changes after the pandemic. The key driver is that people are acknowledging the threat of technological change in their current roles – and that the threat is accelerating and will continue to do so. Interestingly, the willingness to change is not limited to just those industries most affected by the pandemic. People are responding to this new future rapidly with 66% already re-training/re-skilling/up-skilling via on-line educational and learning programs. **MW**



## Cross-Industry Functional Topics

# Transformation

Review by: Lauren Robins | ICG Global Subject Matter Expert Transformation | [Contact](#)

### “The Relevance of IT Cost Management & Transformation” – Strategy&

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

The paper, which focuses largely on Japanese technology organizations, indicates that cost containment remains the top focus area for CFOs following the pandemic, with more than half considering deferring or canceling planned investments. The authors offer recommendations to ‘anti-patterns’ emerging during the economic recovery.

- Instead of playing defense by focusing on short term wins and cost reduction plays, also invest in strategic IT big bets
- Approach IT cost transformation more broadly, with cross-functional initiatives with value and risks clearly articulated to business
- Move from highly fixed cost structure to continuous cost discipline of prioritization on an adaptive IT cost structure.

The key takeaway: don’t lose sight of the big picture, investing in business-enabling IT is critical to play the long game - find the right balance of driving short-term productivity with long term investment that transforms for the future. **LSR**

### “How Capability Building Can Power Transformation” – McKinsey

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

This paper underscores the upside and importance of investing in organizational capability building for building organizational health, which leads to increasing business performance. Fundamentally changing the way people approach their jobs, largely behavioral, is critical to drive transformation at scale. This type of change is driven by leadership and key influencer role modeling new behaviors and norms; and engaging the employees in the transformation in new and innovative ways, e.g. direct communications from the CEO.

The key takeaway is: investing in capability-building programs comes with proven returns – when companies included more than 30% of their workforces in them, they enjoyed total return to shareholders that are 43% above benchmark. **LSR**

The ICG logo consists of the letters 'ICG' in a bold, white, sans-serif font, centered within a dark blue rectangular box. The background of the entire page is a grayscale photograph of a city street with tall buildings on either side, viewed from a low angle looking down the street.

**ICG**

# **Industry-Specific Topics**

In this Section:

**Macro Financial Services | Retail & Business Banking  
Wealth & Advice and Investment and Fund Management  
General Insurance | Local Government & Health**



Industry-Specific Topics

## Macro Financial Services

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

### “Disrupting the Disruptors: Business Building for Banks” – McKinsey

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

A call to action insight directed to all banks to start building and growing new businesses. McKinsey lists five main reasons for pursuing growth: respond to fintechs; tap new ideas; defend through organic growth; ramp up lending and payments; and access new sources of funding. These are surprisingly not MECE (Mutually Exclusive and Collectively Exhaustive) for a McKinsey insight and at ICG we haven't seen an example of the last one, and McKinsey does not provide a case study. In essence this seems like a hastily constructed insight which has one redeeming feature: a solid laundry list of eight new business growth ideas on Page 2 that have been witnessed with banks across the world (you will have to find your own case studies though). **DM lr**

## Industry-Specific Topics

## Retail &amp; Business Banking

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


## “The Coming Opportunity in Consumer Lending” - McKinsey

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

This is a brief, but interesting article describing emerging opportunities for new entrants in consumer lending as the credit cycle resumes post the COVID-disruption. The basic premise is that new entrants can bring new lending solutions to market, without being encumbered by legacy platforms or technology. The article sets out the key priorities for new entrants in building the infrastructure and capabilities to make credit risk decisions, such as capturing data, building a decision engine and sourcing the supporting technology infrastructure. These steps are probably rather obvious to any player seriously looking at the market. **JC**

## “Retail Banking in Europe: Challenges & Opportunities in a Tumultuous Year” - Kearney

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

This article provides a concise snapshot of what has been a very difficult year for the European retail banks, showing key trends across revenue, profitability and risk provisioning. The headline figure is a 30% decline in profit per customer, with banks experiencing declining income year-on-year across 19 of the 22 countries reviewed. In response, many of these banks have embarked on cost reduction programs with many banks looking to reduce headcount by 9% and branches by 19%. Nevertheless, this result is better than some of the dire predictions made last year, and AT Kearney projects that the sector will return to pre-COVID performance levels within 3-5 years. **JC** 



# 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 ▶**

**ICG**

## “A Blueprint for Leading in Sustainable Investing” - BCG

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

Nothing wakes up the asset management industry more than sustained capital outflows, and this is the looming reality for many players not yet fully engaged with ESG investing. The topic has been discussed extensively for many years and its importance only continues to increase. Industry executives seeking a high level process framework can skip straight to Page 3 for details. The article also mentions a couple of new data points that asset managers should address immediately (e.g. ESG-related proxy voting records). Beyond these however, there is little in the way of new thinking here. Further, BCG is claiming a dearth of longitudinal ESG time series, yet Bloomberg Terminal subscribers can already access hundreds of relevant data points going back five years or more. The challenge of course, which this article does discuss, is the importance of an end-to-end process that is ingrained into the culture across the firm. Overall, this article is worth a skim for industry executives new to the importance of ESG investing. **BJ** 





Industry-Specific Topics

## General Insurance

Reviews by: Peter Dale | ICG Subject Matter Expert | [Contact](#)  
David Harrington | ICG Global Practice Leader Insurance | [Contact](#)

### “Embracing the Human Side of the Bionic Insurer” - BCG

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

This is a good introductory article covering off the interesting subject of bionics and the human factor. Alas, the second half of the article is a sales pitch for external advice. The article would have benefited from a little more detail around the complexities and sensitivities around the aforesaid human factor. **PD lr**

## Industry-Specific Topics

## Local Government &amp; Health

Reviews by: Graham Simmons | ICG Practice Leader Local Government & Health | [Contact](#)  
 Chris Maxwell | ICG Subject Matter Expert | [Contact](#)  
 Paul Norris | ICG Subject Matter Expert | [Contact](#)

## “The Future is Customer Centered: Transforming Public Services to Meet Public Needs & Expectations” – KPMG

[VIEW PDF \(41 PAGES\)](#)

This article explains how consumers are more informed, connected and demanding than ever before and how the pandemic has only served to heighten consumer expectations surrounding customer experience.

To some extent, the article confirms what we intuitively know to be true about the importance of looking at the organization through the customer lens. However, it makes some useful comparisons between public and private sector practice, and provides some up-to-date metrics on how organizations are responding to the challenge including how government leaders will have to evolve the culture of their departments and establish a new outward-looking mindset, providing citizens with the opportunity to co-design government services. **GS**

## “AI Brings Science to the Art of Policymaking” – BCG

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


This article demonstrates how powerful AI should be used to analyze complex trends in data, providing speedy insights and forecasts, to assist in developing and assessing robust policies.

Policy making is a complex and lengthy process, with the risk of private interest being put above public ones. Whilst AI is a natural tool for the future it is not a replacement for traditional policymaking, but its evidence-based structure is ideally suited to underpin and reinforce the direction setting.

The article clearly describes how responsible AI in the Public Sector has a role at every stage of policymaking. These stages are:

- Identification – synthesizing large data sets to detect patterns
- Formulation – performing scenario analysis and forecasting
- Adoption – generating data insights
- Implementation – increasing service delivery speed and performing real time corrections
- Evaluation – suggesting adjustments and improvements.

The authors stress that strategic use of AI is not a complete solution but should reinforce the wider aim of building trust among citizens and the public sector. They advocate that effective policy setting is achieved by building a strong business case, designing operational capabilities and creating the data infrastructure. This is explored in full.

Aimed at forward thinking and responsible policymakers within the public sector, this insightful article presents a choice to government organizations: either embrace AI and digital technology to supplement and reinforce their decision making, or fall behind. **PN** 

REVIEWS OF THE WORLD'S LEADING INSIGHTS

ICG

# THE INSIGHTS REVIEW

---

© Internal Consulting Group Pty Ltd 2021

**ARTICLES OF THE MONTH**

**THE BEST INSIGHTS OF THE PAST 12 MONTHS**

## 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. **MT**

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. **LH**

## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

FEBRUARY 2021

### “From Survive to Thrive: The Future of Work in a Post-Pandemic World” - Deloitte

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

This article from Deloitte is a highly recommended read for CEOs and CHROs this month. There is a detailed analysis of the faults in job design today as we consider the future of work. The authors posit that organizations are adopting technology solutions without considering human capabilities in relation to the work design. Examples of how some organizations are humanizing work are provided, together with suggested approaches as to how organizations can create an environment to optimize human potential in today’s technology-driven world. Leaders are required to set the enterprise mindset, recognize that the biggest motivator for humans is work itself, and re-orientate from past performance to future potential. For each point as to what needs to change, there are useful suggestions as to how to get started. Make an investment of your time to read this one.

DECEMBER 2020 - JANUARY 2021

### “A Strategic Approach to On-Demand Talent” - BCG | HBS

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

We couldn’t resist including this great insight from our dear friends at BCG who now also recommend the use of online talent platforms such as ICG. Their argument is you cannot maximize organization outcomes without fully embracing on-demand talent platforms as part of your culture, policy and processes, and approach to projects. A must-read for anyone wanting to optimize their role in the agile enterprise – and an obvious choice for our *Article of the Month* as it talks so precisely to the ICG business model!

## ARTICLES OF THE MONTH

### THE BEST INSIGHTS OF THE PAST 12 MONTHS

NOVEMBER 2020

#### “The Working Capital Treasure Hunt” – Kearney

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

This is a great read and very insightful. Your reviewer loved the working capital tree diagram, and urges all executives to read this article. It is very much on-point, and a real example of the benefits that strategy houses deliver when they put their minds to operational issues.

OCTOBER 2020

#### “Sustainability is The Next Digital” – Bain

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

A must-read insight which signals the scale of impact that the move to sustainability will have for organizations around the world. The insight takes a top-down look, highlighting the relative poor performance of sustainability change programs compared to other efforts, and provides thoughts on strategic and implementation choices. With some compelling up-to-the-minute examples, this insight is a must-read for all internal consultants and their clients.

#### “Building Trust to Enhance Employee Potential & Leave Your People & Your Business Net Better Off” – Accenture

[VIEW PDF \(37 PAGES\)](#)

On first reading the introduction to this article, your reviewer thought that Accenture had discovered the obvious: trust in the workplace is important. Going further, the authors have introduced their ‘groundbreaking’ new Net Better Off model. People have long understood the importance of financial health, physical health, and emotional/mental health in the workplace. The ‘Net Better Off’ model goes further to address fundamental human needs, and it is well worth the reader taking an interest!

This article also provides further insights as to what organizations can do to provide the right environment to create ‘Net Better Off’. This article is a must-read for all senior executives looking to build employee engagement and enable value creation through their workforce.

## ARTICLES OF THE MONTH

### THE BEST INSIGHTS OF THE PAST 12 MONTHS

SEPTEMBER 2020

### “Having an AI Strategy is Essential to Survival” - Roland Berger

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

This fascinating article is a book and interview summary for Roland Berger, authored by a senior journalist. The book is titled *Competing in the age of AI* by Harvard Professors Karim Lakhani and Marco Lansiti. In it, the authors argue that AI is not something to be applied in the future when the technology has matured, instead they provide countless examples of companies that are already embracing relevant applications of AI to reposition their businesses for advantage now. This includes small firms, not just what they call the ‘Digital Super Powers’.

The traditional view of AI is it only works in narrow applications like chess. The authors argue this is just fine for huge, globally-scalable businesses like ride-sharing, which will self-improve through their experience curve. The critical point for executive readers is that general AI is not going to replace management any time soon, but managers who use AI in narrow applications will replace managers who don’t. The critical point for internal consultants is that companies need to be thought about from an abstraction “What is it that we’re serving? Why do customers come to us? And what did we learn from those customers?” Strategy then becomes about choosing data streams which apply better algorithms, to deliver better service, to generate more usage, to generate more data, and so on.

The article also includes a classic four-stage transformation model applied to the digital operating model. It evolves from siloed data to a pilot, to a data hub, to an-end state in what they call an “AI Factory”.

A great book summary and advertisement for the book – and a must-read for all *TIR* subscribers.

AUGUST 2020

### “Have We Hit Peak Profits?” - Bain

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

Wow – a superb article from Bain that is a level above the usual high quality we have come to expect from them. This up-to-the-minute, macro-level look at strategy and growth draws together many varied and newer thoughts from a study of 13,000 listed firms, creating a very coherent story that will lead to many reconsidering Bain as more than the NPS/Loyalty Effect consulting firm.

This is a deserving winner of our Article of the Month – our hearty congratulations to the authors.

## ARTICLES OF THE MONTH

### THE BEST INSIGHTS OF THE PAST 12 MONTHS

JULY 2020

### “The End of Management as We Know It” – BCG

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

A fascinating insight into the impact of an agile philosophy on management as we know it. Based on a survey of 5,000 employees across five countries, the findings paint a stark picture of managers’ current beliefs – including 63% saying they don’t want to stay in traditional management roles, and only 1 in 10 non-managers saying they aspire to become managers. It is argued that the breaking point has been reached: current managers’ roles are now fixated on reporting and politics and “complicatedness” rather than getting things done. Agile approaches are becoming the game-breaker with their focus on work, mastery, and coaching. However, moving to a true Agile environment comes with a condition: people need to learn the skills that make Agile successful. To do so requires individuals to take responsibility for the establishment of their own career paths and professional development. A must-read for both organizational executives responsible for leading the path to agile, and those individuals wanting to flourish in this environment. Reviewer’s note: ICG Careers’ method is a direct fit to this approach.

JUNE 2020

### “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.





## ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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!



## ***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 4,500 of the most senior professional consultants around the world.

Key contributors this month include:

**Alan Hui**

ICG Subject Matter Expert

**Barry Johnston**

ICG Practice Leader  
Wealth Management & Superannuation

**Chris Maxwell**

ICG Subject Matter Expert

**David Harrington**

ICG Global Practice Leader Insurance

**Graham Simmons**

ICG Practice Leader Local  
Government & Health

**Greg Barnier**

ICG Practice Leader  
Human Capital

**Jason Smith**

ICG Subject Matter Expert

**Julian Cappe**

ICG Practice Leader  
Retail & Business Banking

**Lauren Robins**

ICG Global Subject Matter  
Expert Transformation

**Mike Trovato**

ICG Practice Leader  
Cyber Security & Privacy

**Mark Waterman**

ICG CEO of ICG Careers

**Paul Norris**

ICG Subject Matter Expert

**Peter Dale**

ICG Subject Matter Expert

**Richard Dale**

ICG Subject Matter Expert

**Ryan McQueen**

ICG Global Payments & Open  
Banking Practice Leader

**Wade Azmy**

ICG Global Practice Leader



## **ICG Service Promise**

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

**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.



## **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 ►**



**ICG**

# THE INSIGHTS REVIEW

---

**VISIT ICG WEBSITE ►**

---

**VIEW PAST REVIEWS ►**

---

© Internal Consulting Group Pty Ltd 2021

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

**MAY 2021**