



THE INSIGHTS REVIEW

© Internal Consulting Group Pty Ltd 2020

IN THIS ISSUE

STRATEGY

ECOSYSTEMS, M&A AND INTEGRATION
LEADERSHIP & EXECUTIVE DEVELOPMENT
RISK & COMPLIANCE
HUMAN CAPITAL
FINANCE & CONTROLLING
CUSTOMER EXPERIENCE & MARKETING

TECHNOLOGY

OPERATIONS & TRANSFORMATION
INNOVATION & DISRUPTION
PAYMENTS & OPEN BANKING
CYBER SECURITY & PRIVACY
CAREER TRANSITION
TRANSFORMATION

MACRO FINANCIAL SERVICES

RETAIL & BUSINESS BANKING
FINTECH
CORPORATE & INVESTMENT BANKING
GENERAL INSURANCE

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

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,

My theme for this month is the formalization of the hybrid workplace. Over the course of the pandemic, we saw the pendulum swing rapidly from office to home-based work. Now, at the encouragement of governments and commercial landlords, it is swinging back again. However, a full return will be impossible as employees realize the many advantages of gig-economy style working, and employers start to understand the many ways to harness the productivity and engagement increases that an ICG-like virtual model brings. As a consequence, executive teams and their CHROs will need to work furiously over the next few months to define the new hybrid normal in an easily understood, fair, and implementable way. Our team of global professionals have embraced this model for most of their careers, so please reach out to your preferred ICG consultant or nearest HUB to inject some of our best practices into your own “new hybrid normal”.

I am also excited to introduce a brand new section to the *TIR* this month, and to welcome ICG’s newest senior professional and reviewer. Transformation As Usual (TAU) has been a theme I have raised repeatedly, so it is only appropriate we have a transformation section in the *TIR*. Our lead reviewer for this new section, Lauren Robins, is a global subject matter expert on the topic and we warmly welcome her to our team.

Our *Article of the Month* was published by AT Kearney, and reviewed by Peter Dale from our London HUB. Congratulations to the authors, whose article on finding working capital treasure is a must-read piece.

[The Working Capital Treasure Hunt - Kearney](#)

Happy ICGing!

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

Strategy	06
Ecosystems, M&A and Integration	07
Leadership & Executive Development	08
Risk & Compliance	09
Human Capital	10
Finance & Controlling	12
Customer Experience & Marketing	13
Technology	14
Operations & Transformation	15
Innovation & Disruption	16
Payments & Open Banking	17
Cyber Security & Privacy	18
Career Transition	19
Transformation	20

Industry-Specific Topics

Macro Financial Services	22
Retail & Business Banking	23
Fintech	25
Corporate & Investment Banking	27
General Insurance	28

Special Feature | Contributors | About ICG

The Best Insights from the Past 12 Months	30
<i>The Insights Review Team</i>	37



Cross-Industry Functional Topics

In this Section:

Strategy | Ecosystems, M&A and Integration
Leadership & Executive Development | Risk & Compliance | Human Capital
Finance & Risk | Customer Experience & Marketing | Technology | Career Transition
Operations & Transformation | 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](#)

“Why the New Competitive Advantage Demands Sustainability” – BCG

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

Short and sweet advertorial by BCG, which analyzed 300 sustainability initiatives to identify better practices for success. They identified a whopping 25% whom they call ‘ecosystem leaders’ that re-imagined whole value chains, and another whopping 25% who were front runners that re-imagined the business entirely. We find these percentages hard to believe in any normalized corporate sample, and worry that this is a clever title and prize-giving exercise to build BCG ties to the entities.

The last two paragraphs of this super short insight highlight the seven distinctive characteristics of front runners, and suggest a BCG four step approach to get on the bandwagon.

“Advantage in Adversity” – BCG

[VIEW PDF \(36 PAGES\)](#)

The latest incarnation of BCG’s Flatten, Fight and Future macro review and response series to the pandemic.

It is in a simple to digest and somewhat journalistic PPT style, but hits the mark with a useful worked example pages for each of its 6 recommended strategic levers, no doubt drawn from some very expensive client engagements. Solid reading for all internal consultants and executives, even if the very same levers were relevant and recommended before the pandemic.

Keen eyed readers will smile at the inconsistency between BCG’s other article this month on sustainability and its reported findings on page 11. **lr**

Cross-Industry Functional Topics

Ecosystems, M&A and Integration

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

“Access to Start-Ups Can Accelerate Digital Transformation if Leaders Take the Long View” – Kearney

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

In this short, pragmatic read, Kearney makes three sound arguments why large enterprises should consider getting good at corporate venture capital investing as part of their long-term strategy – and why it may not be sound to sacrifice CVC programs for short-term cost-cutting reasons.

It’s well-worth a read for the member of any corporate strategy team, and any CFO thinking about cutting costs. This reviewer encourages Kearney to produce a follow-on article that analyses the performance of companies that have retained their CVCs during the global financial crisis compared to those that have not.

“For Financial-Services Firms, Inter-Industry Partnerships Are the Pathways to Growth” – Strategy&

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

Using plenty of financial services and retail examples, Strategy& argues that partnerships are one path to “quick, low-cost, low-risk scale.” The article does a good job summarizing partnering approaches and explaining where to find partners.

While acknowledging that partnerships must be “well-executed”, unfortunately this focuses exclusively on negotiating a good financial deal structure (which the article also does well). Yet, there’s much more to sustained success than a well-negotiated deal.

How about these five alliance management practices? Early involvement of an experienced alliance manager at negotiation stage to ensure a smooth launch into operational steady state. A realistic operational plan for the initial operating period, signed off by the future joint steering committee (JSC). Frequent and data-supported JSC meetings at the beginning of the alliance. A digital alliance management infrastructure allowing joint management and empowering analytics, activities and decisions. Periodic health checks conducted across both parties, and comprehensive annual reviews.

These suggestions aside, Strategy&’s article provides good pointers to Heads of Strategy, Business Development and Alliance Management for the deal-making stage of a partnership. **lr**

Cross-Industry Functional Topics

Leadership & Executive DevelopmentReviews by: Wade Azmy | ICG Global Practice Leader | [Contact](#)**“The Sources of Resilience” – MIT Sloan Management Review****VIEW PDF (6 PAGES)**

This article by Marcus Buckingham, a thought leader and author of many books on character strengths, addresses the need for resilience to manage through difficult times such as we are experiencing right now. He asserts that our capacity for resilience is about adapting and bouncing back, moving forward despite the challenges, and finding our available strengths to access and nurture.

For some, it may feel like an innate trait; for others, there is a need to build greater capacity for resilience to cope. It is about finding the sources of resilience and making more use of them. The article explores three research findings as sources of resilience: senior leaders, team leader, and self.

Senior leaders make strategic choices, and they need the foresight to identify the possible and likely futures and focus on the organization's competitive advantage. Senior leaders own the narratives for success as a source of resilience. The process cascades down to team leaders who carry the responsibility for ongoing communication and provide psychological safety for team members to engage. Finally, each team member employs their strengths at work as the source of positive emotions that create resilience.

This article describes a road-map for developing resilience in organizations based on evidence from positive psychology and organizational development, and offers a framework for consultants and HR to build resilience.

“The Value of Resilient Leadership Renewing Our Investment in Trust” – Deloitte**VIEW PDF (12 PAGES)**

This second topic from Deloitte looks at trust as a social contract necessary for resilient leaders during and post-pandemic. It highlights society's concern that businesses put profit before people, leading to mistrust.

The writer perceives trust as an asset that carries value for resilient leaders to invest as a means to achieve high performance. In contrast to the first topic, this article guides resilient leaders to care for their stakeholders, both internal and external. It advocates building relationships across the whole ecosystem to address significant challenges; it permits vulnerability and response as a common theme among all players; it identifies key dimensions to identify shareholders' concerns, and promotes connecting as humans. The article provides another framework that can serve leaders in managing their stakeholders. **Ir**



Cross-Industry Functional Topics

Risk & Compliance

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

“A Fast-Track Risk-Management Transformation to Counter the COVID-19 Crisis” – McKinsey

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

A good synopsis and worth a read if you want to check on your risk functions. However, most risk functions have adapted remarkably quickly to the challenge produced by COVID. More pertinently, this article talks largely about operational configuration, whereas the real challenge in the next 24 months is likely to be investment risk oriented – as it is ever thus in significant downturns.

“Four Ways Boards Can Oversee Risk Management Beyond COVID-19” – EY

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

The reviewer got quite excited about the title, then rapidly realized that there was nothing new here. **lr**



Cross-Industry Functional Topics

Human Capital

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

“Rethinking the On-Demand Workforce” – HBR

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

The authors explore the trend towards the use of online talent platforms and the increasing use of gig economy workers by organizations to supplement their workforce. Examples are provided for the reader to consider. The authors assert that a rethink as to how organizations manage their workforce size, shape, and mix is required. A number of insights are provided as to other aspects of using gig workers, and the need to think differently about organizational policy to create an extended workforce. The authors also provide some thoughts around using existing employees to provide connection. A thought provoker for CEOs, CFOs, and CHROs.

Our readers may see the relevance to ICG’s operating model and platform, which offers expert practitioners for projects, developing strategy, or driving key business initiatives.

“Workforce Transformation: How to Reduce Your Costs & Increase Your Options” – Kearney

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

This paper is primarily a brochure for Kearney’s services. CHROs thinking about workforce planning may, however, find the Figure “Ten steps to workforce efficiency and flexibility” interesting.



Cross-Industry Functional Topics

Human Capital

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

“May the Workforce Be With You: The Voice of the European Workforce 2020” – Deloitte

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

Five ways that Covid-19 has impacted the European workforce have been identified in this paper from Deloitte, which reflects survey responses from 20,000 workers. The authors provide key insights with some graphical representations of data. It is an easy read which should interest CEOs, CHROs, and business leaders. In addition to the five key takeaways, this reviewer found key headings in the paper insightful as to components of success in engagement of workers, whether working from home or back to the office. It aligns to your reviewer's own discussions with clients, who are now working in the hybrid model. Some thoughts are also provided for business leaders to consider going forward.

An easy read that is well presented.

“Virtual Reality Creates a New Environment For Employee Training” – Strategy&

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

An interesting article from Strategy& sharing initial insights from possibly the largest study of VR's effectiveness for soft-skills training to date. The study was designed to evaluate the benefits of three types of learning: classroom (in-person), e-learning (online), and v-learning (virtual reality). VR showed some outstanding results in effectiveness, cost effectiveness, focus, confidence, connection, and speed of learning. It is a quick read and is well worth the investment of time by CEOs, CHROs, and L&D professionals when considering the right mix of blended learning for your organization. **lr**



Cross-Industry Functional Topics

Finance & Controlling

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

ARTICLE OF THE MONTH

“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. **lr**

Cross-Industry Functional Topics

Customer Experience & Marketing

Reviews by: Lisa Hickson | ICG Subject Matter Expert | [Contact](#)Stephen Hewett | ICG Global Thought Leader - Customer Experience | [Contact](#)Jonathan Mindell | ICG CEO, UK & Europe Practice Leader - Customer Experience | [Contact](#)

“The Human Touch at the Center of Customer-Experience Excellence” - McKinsey

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

This article is a collaborative effort by members of McKinsey’s Service Operations Practice. Whilst opening with a narrative on some of the technology enablers of customer-centricity, the team very quickly focuses on culture and people as being the true determinants of customer-centric business transformation and success. A ‘people-first’ culture needs to be at the center of any organization with such aspirations, and this approach needs to start from the top.

For the culture of the organization to drive performance and successful transformation, the article correctly argues that there needs to be alignment around this common vision across the business. For this to happen, the employees need to have a clear understanding of the customer-centric culture and they should be empowered in their day-to-day work to act in the best interests of the customer.

Building a customer-centric culture requires ‘discovery’ of what matters to both customers and colleagues, before that culture can be designed and delivered. Some examples of organizations that display this human touch and focus on culture illustrate the article’s argument. The piece finishes by setting questions for organizations that want to get started down the path, but a larger question – that of longer-term sustainability – goes unanswered. **lr**



Cross-Industry Functional Topics

Technology

Review by: Prabhu Chandar Manoharan | ICG Subject Matter Expert | [Contact](#)

“Are You Making the Most of Your Relationship With AI?” – BCG

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

An insightful article that explores the critical success factors for organizations aiming to reap financial benefits from AI. It rightly identifies that organizations must learn together with intelligent machines to unlock the true potential. The mindset of having “Business Problem Solving” powered by intelligent machines – contrary to having AI Teams deployed to solving business problems – is an interesting and relevant take on why many companies struggle to fully realize the benefits of automation and intelligent ecosystems. The article also layers in key topics such as Responsible AI which would benefit executives who are designing AI ecosystems with an acute focus on risk and compliance.

“Time for Trust: How Blockchain Will Transform Business & the Economy” – PwC

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

A visually engaging and well articulated point of view that aims to quantify the dollar potential of blockchain and its practical implications and contributions to the economy. PwC’s economists have projected blockchain adoption in key sectors such as public governance, health, and education, leading to ~\$1.8 Trillion contributions to the economy. The authors also describe leading use cases for blockchain adoption, ranging from provenance, contract validation, and customer engagement, quantifying the size of the economic contribution in these areas. This certainly helps broaden the understanding of blockchain from one that is closely associated with crypto currencies to something that has everyday practical benefit. The bases behind PwC’s economic projections for this article would have been an interesting read, and a helpful tool for executives who are keen on building business cases for adopting and implementing blockchain in their respective organizations. The PwC logo is a small, stylized icon consisting of two vertical bars of different heights.

Operations & Transformation

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

“Why Retooling Requires a Zero-Based Cost Management System” – Bain

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

This brief article builds on a recently recurring theme from Bain advocating for zero-based budgeting and cost management. While zero-based approaches have been around for some time, they are regaining relevance in today's economic conditions. McKinsey and others have also increased their coverage of the topic this year.

Bain encourages companies to resist simple top-down cost-cutting, and presents research to support a case for quick action and a more holistic approach to cost management. The research supports other organizations findings that companies that act fast during downturns improve their market position, profitability, and future resilience to disruptions. Today's digital technologies offer even greater opportunities to rethink operation cost structures.

The article is particularly relevant for Australian executives who have been blessed with 29 years of uninterrupted economic growth. Few executives have experienced a recession, and hence may lack the personal frame of reference for effective and urgent cost management. While cost management has always been important, it is more critical to success today and future survival in this era of COVID.

“Global Business Services & Shared Services Organizations Moving Forward” – Deloitte

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

The article is based on interviews and discussions with leaders and customers of shared services and business process outsourcing operations. It examines the challenges COVID created and the new operational practices being explored to better adapt to future disruptions.

The authors conclude that the pandemic reinforced the belief that proximity is not critical to process performance, while highlighting opportunities to expand scope to other process areas. It also infers that COVID increased the importance of business continuity plans, digitization and security.

The article will be of interest to those operating in a shared service environment or embarking on a transformation in that direction. **lr**

“Four Ways to Assess Projects & Keep Them On Track” – McKinsey

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

One of a series of podcasts, with an edited transcript. In this case, the topic relates to the unconscious biases and shortcuts that affect all of us when processing information and making decisions, and the practices we can employ to compensate for them. In relation to project management, such as whether to continue a project having invested a lot of time and money, the podcast discusses the importance of considering multiple (independent) points of view, and the usefulness of “premortems” or contingency planning before starting a project. These help you to be alert to the early signs of problems if/when they arise, and to have already considered the most appropriate course of action (mitigating your emotional commitment to sunk costs which, by then, would be biasing your thinking). **lr**



Cross-Industry Functional Topics

Payments & Open Banking


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

“Accelerating Winds of Change in Global Payments” – McKinsey

[VIEW PDF \(38 PAGES\)](#)

Recommended read.

This article is a brief extract of the 2020 McKinsey Global Payments Report (embedded link in the article). The full report is definitely worth reviewing as it provides analysis on the impact of COVID-19 on global payments revenue, with an overall 7% decrease from 2019 to estimated 2020, or USD 1.9T. Some interesting highlights of the article include how Europe’s in-store shopping behavior has shifted online and prior differences in shopping behavior by demographic have disappeared.

Cash and ATM utilization is down, debit card spend is up, and credit card balances are being paid down. All channels have seen bigger shifts in the first half of 2020 than over the last 5-10 years. Falling volumes of cash handling have produced a reduction in net expense for banks, given the cost of cash handling outweighs the related revenue streams. Cash has not disappeared though – and it will be around for a long time to come. 

“The Future Is Purple” – Booz[VIEW PDF \(12 PAGES\)](#)

This is a somewhat techie but good overview. It describes how offensive and defensive security testing can combine to provide for a more sophisticated and beneficial approach to mitigating vulnerabilities and managing threats, and will capture the interest of sophisticated executives and boards who want to do more. Building “purple” teams (red offensive and blue defensive) may be the way of the future for organizations that must dedicate more resources to manage their rising threats to an acceptable risk appetite. For the rest of us, adopting some of the other proactive and reactive approaches may be the way forward, emphasizing the reactive in the short term to be able to respond and recover from an attack.


“All Hands on Deck: Key Cyber Considerations For a New Reality” – KPMG[VIEW PDF \(22 PAGES\)](#)

KPMG has long struggled to build a quality cyber security capability when compared to its other Big-4 competitors. This pragmatic article chooses eight focus areas they believe will give a bigger bang for the buck, and then showcases their global team’s point of view. The advice could have been more helpful had they not mixed so many COVID-19 generalities throughout, which tended to cloud versus clarify the cyber advice offered. Still, the focus areas would all likely provide benefits to the average organization and the overall message of doing more with less due to COVID is probably appropriate for 2021. ROI is back, and likely with a vengeance after we tally of the damages from the pandemic. **lr**

“For CEOs, a Lasting Career Means Staying Relevant” – Roland Berger

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

This is a must-read for CEOs and aspiring CEOs. Using quotes and examples from leaders such as Gates, Handy, Bezos, Buffett, and Butler, as well as leading edge leadership experts, the author illustrates his key point that CEOs will have established a wide and deep body of wisdom – but how relevant is that in today’s rapidly changing world? More than ever before, the traditional gradual decrease in performance over time from not reassessing future needs will impact much more rapidly.

The author then explores the key learnings to keep CEOs ahead of the game. These include: avoiding risking obsolescence, continual evolution, welcoming new ideas, curiosity, becoming a better listener and asker of questions, humility, further education, sabbaticals and “think time”, and discipline and reflection. Moving from the dominant boss to the organizational role model will be the new way forward. Pin this up next to your desk! 



Cross-Industry Functional Topics

Transformation

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

“AI-Bank of the Future: Can Banks Meet the AI Challenge?” – McKinsey

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

For global banking, McKinsey estimates that AI technologies could potentially deliver up to \$1 trillion of additional value each year. The paper outlines a case for banks to take a leadership position in adopting AI to unlock value creation, or risk being overtaken by competition or deserted by their customers who expect cutting-edge technology and exceptional service from banking. The authors also summarize the obstacles and core capabilities required across four key layers: the engagement layer, the AI-powered decisioning layer, the core technology data layer, and the operating model.

The primary recommendation from McKinsey is for banks to develop an AI strategy that spans these four key layers. The publication provides good context for challenges banking faces as it pertains to deploying AI, a good case for banking to better leverage AI, and a high-level framework for the key elements of an AI strategy. There is no POV provided as to where the main banking institutions are on this journey, or tactics to accelerate the transformation.

“Will HR Transformation Be the Thread That Ties Value to Experiences?” – EY

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

EY challenges that it is time for a wholesale transformation of the HR function, whereby HR needs a significantly greater focus on value-driven activities that provide insights and solutions, rather than reports and box-ticking.

The People Value Chain model – comprised of digital HR, people consultants and virtual global business services – transforms transactional activities via AI, delivered virtually from low cost locations while HR professionals focus on working across the enterprise to listen, innovate, and problem solve via agile teams measured by a new set of value-driven metrics.

Most world class/F500 HR organizations have been on this journey for some years. What the publication doesn't cover is how to drive the change within the HR function itself – a function in which firms often under-invest. [lr](#)



Industry-Specific Topics

In this Section:

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

Industry-Specific Topics

Macro Financial ServicesReviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)**“The Multiplier Effect: The Imperative for Coordinated Technology Deployment in Financial Services” – Deloitte****VIEW PDF (24 PAGES)**

A joint Deloitte-WEF exploration of the potential innovation pathways enabled by a sensible clustering of new technologies impacting financial services. Along with an easy to access depiction of the technology, this is a great insight for internal consultants and C-suites to get across what they can expect from the continued maturation of these technologies and the response options they afford.

“Financial Services - Securing Your Tomorrow, Today” – PwC**VIEW PDF (27 PAGES)**

Global helicopter view of the industry by a global PwC Team. While they clearly didn't have the budget of the other firms, this report is well written and includes some very useful heat maps and perspectives for all internal consultants and executives in financial services. The major trends won't be a surprise to our readers – except number 4, whether they feel regulatory trends may be accelerated by COVID. We have seen regulators being very sympathetic to players as they strive to do the right thing by customers in order to smooth the balance sheet impacts of unemployment and under-employment.

Amazingly, the authors use the same RRR framework as McKinsey and BCG but add Report, then list the large number of major reporting responsibilities now confronting financial institutions.

Well worth a skim. **lr**

Industry-Specific Topics

Retail & Business BankingReviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“Transforming the US Consumer Bank For the Next Normal” – McKinsey****VIEW PDF (10 PAGES)**

Part of McKinsey’s ongoing “next normal” thematic, this is a strong article setting out the key shifts in sales and service optimization as retail banks prepare to transition out of the COVID crisis.

Banks need to complete their distribution and digitization programs to prepare for the recovery and emerge as leaders. This includes three key areas of transformation:

1. Branch-based distribution,
2. Remote support and advice, and
3. Digitization of sales and service.

While these themes are not new, they are fleshed out with a good amount of detailed and clear thinking that will be informative to bankers and consultants working across sales and service initiatives.

“How Digital Done Right Pays Off for Retail Banks” – Bain**VIEW PDF (15 PAGES)**

Digital transformation, for leading banks, has delivered measurable uplift in customer loyalty and productivity metrics. Other banks, however, have struggled to achieve value from their digital expenditure.

In this article, Bain sets out the dimensions to a successful digitization program. Some of these are related to client experience (simple modular product propositions, digitized purchase episodes) while others related to foundational infrastructure (flexible IT, use of agile methods, and robust data). This is a useful checklist to those commencing the journey, or looking to re-baseline an in-flight program.



Industry-Specific Topics

Retail & Business Banking

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

“The Evolving Mortgage Market: Winning the Fight For Customers” – KPMG

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

This article presents the findings of a global survey on consumer attitudes towards mortgages, conducted by AMP across their own staff base. The survey covers a range of topic areas including demand for mortgages, propensity to refinance, key buying factors, preferred customer experience attributes, and channel preferences.

The survey reinforces that digital channels have become the preferred touch-point across all stages of the consumer life-cycle including research, application, and servicing. Otherwise, there are no surprises here. **lr**

Industry-Specific Topics

Fintech

Reviews by: Richard Dale | ICG Subject Matter Expert | [Contact](#)**“COVID-19 Spurred a Rise in FinTech. Now Regulators Are Catching Up” – WEF**[VIEW PDF \(6 PAGES\)](#)

Contactless and online payment methods for consumers and businesses, and avoiding the need to visit a branch to verify identity and open accounts, are obviously good uses for financial technology in a pandemic situation. The pandemic has dramatically accelerated the pre-existing trend for doing as much as possible online. All manner of online businesses, including fintechs, have benefited from this big forced switch in behavior. But have they benefited their countries during the pandemic, by helping to keep economies functioning through lock-downs? This article is a summary and advertisement for the more substantial report (reviewed next) of a study by the World Economic Forum and Cambridge University that examined the views of financial system regulators on the benefits fintechs have provided during the pandemic, and therefore what regulators should be doing to encourage them, and to mitigate the risks they will introduce.

“Global COVID-19 FinTech Regulatory Rapid Assessment Study” – WEF / CCAF[VIEW PDF \(81 PAGES\)](#)

As mentioned, this comprehensive report surveys the views of financial system regulators in many countries from across the wealth spectrum, to analyze their response to the pandemic – in particular their policies towards fintechs, both as means for coping with the pandemic’s impacts on the economy, and with the risks they introduce. The news is good for fintechs: regulators generally believe fintechs have helped, and most regulators intend to accelerate their work on policies and rules that will enable fintechs to operate and grow. **lr**



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

Industry-Specific Topics

Corporate & Investment BankingReviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader (UK) | [Contact](#)**“The COVID-19 Investor Pulse Check Series” – BCG****VIEW PDF (15 PAGES)**

This is the 12th pulse check on US investor perspectives by BCG. A brief, data-rich report indicating that investors are more bullish on the economy and stock market than last month. No significant surprises – a W-shaped recovery remains the most expected.

“Asset Atlas 1H20: Top Highlights” – KPMG**VIEW PDF (34 PAGES)**

Merger and acquisition trends in global financial services are presented for the first half of 2020 by KPMG. Readers will be unsurprised that a steep decline was seen in comparison to 2019, and that a V-shaped recovery appears unattainable. A book of charts for FS professionals. [lr](#)

Industry-Specific Topics

General Insurance

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

“Insurance Productivity 2030: Reimagining the Insurer for the Future” – McKinsey

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

McKinsey calls out that in the decade prior to 2020, few insurers succeeded in improving productivity. Accordingly, when the COVID-19 pandemic hit, carriers faced serious operational disruptions and increasing pressures on profit. While many insurers have stepped up the shift to digital, further piecemeal attempts at improvement will not work, and for insurers to survive beyond the next decade will require transformative change.

Two actions are needed as part of this transformation: improve productivity and reduce operating expenses by 40%, and simultaneously improve the customer experience.

By 2030, insurers will need to look more like modern tech companies. Nearly all operational processes need to be streamlined, automated, and digitized. Across all elements of the value chain – product, distribution, pricing, underwriting, policy issuance and service, claims, and support functions – the insurer of 2030 will look very different from today.

Achieving this will firstly require clear goals and a plan to achieve full potential. It will also require insurers to set up the organizational infrastructure to implement the plan. Finally, it will require leaders to communicate effectively, starting with a united front at the top. Insurers that are successful will see a steady downward trend in their expense ratio, and the leaders that succeed will leapfrog competition with more efficient and resilient organizations. McKinsey provides some helpful guidance on what an effective transformation office needs to look like, the key metrics that need to be measured, and the creation of clear accountability for delivering outcomes and delivering transparency on the performance to staff. Successful transformation requires functional excellence, structural simplification, business transformation, and enterprise agility.

“The Future of Home & Motor Insurance” – Deloitte

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

Deloitte surveyed over 8,000 general insurance customers across the world during the COVID-19 pandemic to evaluate what customers are seeking in future home and motor insurance policies. Despite regional differences, there are some common themes: customers favor simplicity, want products that are easy to understand, purchase and use, they expect a fair price, and they expect trust that claims will be paid fairly.

Most motor insurance customers, based on their recent COVID-19 remote working experience, are expecting motor insurance to be self-controlled and adjustable. Motor insurance customers also value freedom to move covering insurance for all modes of transport, and ability to substitute vehicles. Customers will support telematics-based motor insurance pricing if it saves them money, seems fair, and rewards good driving.

Many home insurance customers (especially Australian customers in the shadow of the 2019 bushfires) like the concept of parametric insurance for the home where independent monitoring and reporting of severity of natural peril events will automatically trigger claim payments.

Some customer niches show interest in insurance being embedded into other services (like car leases). Others like internet-connected offerings, but these also raise apprehension about sharing data with insurers.

The article provides some case studies of different providers who are showing how these future policy innovations have already delivered growth, from Lemonade creating a simple AI-enabled customer experience in the US aligned with fair, transparent pricing and claims, to IAG recently introducing a flexible car insurance policy that enables customers to turn coverage on and off and include different vehicles in the policy. Plenty of other interesting examples for executives tasked with creating the insurance businesses and products of the future.



Industry-Specific Topics

General Insurance

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

“Open Insurance Transformation” – Capgemini

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

Your reviewer read and watched this in order to save our regular reader's time – the core premise of *The Insights Review* – and can confirm there is nothing new here that has not already been said before. For those new to the area, however, it will give you some insight. **Ir**

REVIEWS OF THE WORLD'S LEADING INSIGHTS



THE INSIGHTS REVIEW

© Internal Consulting Group Pty Ltd 2020

ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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.

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.



ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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.

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.



ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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.

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.

ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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!

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.



ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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.

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*.

ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS

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.

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.



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:

Andrew Boyes-Varley ✉

ICG Financial Services
Practice Leader (UK)

David Harrington ✉

ICG Global Practice Leader Insurance

Greg Barnier ✉

ICG Practice Leader
Human Capital

John LaVacca ✉

ICG Global Practice Leader
Operations & Transformation

Jonathan Mindell ✉

ICG CEO, UK & Europe
Practice Leader Customer Experience

Julian Cappe ✉

ICG Practice Leader
Retail & Business Banking

Lauren Robins ✉

ICG Global Subject Matter
Expert Transformation

Lisa Hickson ✉

ICG Subject Matter Expert

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

Prabhu Chandar Manoharan ✉

ICG Subject Matter Expert

Richard Dale ✉

ICG Subject Matter Expert

Ryan McQueen ✉

ICG Global Payments &
Open Banking Practice Leader

Stephen Hewett ✉

ICG Global Thought Leader
Customer Experience

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 or visit our website at www.internalconsulting.com

VIEW ICG WEBSITE ►



THE INSIGHTS REVIEW

VISIT ICG WEBSITE ►

VIEW PAST REVIEWS ►

© Internal Consulting Group Pty Ltd 2020