



THE INSIGHTS REVIEW

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

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

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- AT Kearney
- Bain
- BDO
- BCG
- Capgemini
- Deloitte
- Ernst & Young
- FMCG
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- IBM
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- 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 message for this month is to consider the benefits of ‘nano-consulting’. By this, I refer to executives who frequently have important questions go unanswered because they don’t have access to internal consulting resources or a consulting firm for such small requests. ICG pioneered unbundled consulting globally, and we commonly assist our core client executives with these ‘nano’ requests as part of existing work, or else as a one-off or on a retainer basis. If you would like to know more about ICG’s granular consulting solutions, please contact your preferred ICG professional or your nearest ICG HUB.

This month, I am delighted to introduce a new Global Practice Leader for Insurance at ICG. David Harrington has joined us from a Group Executive role at a leading P&C Insurer, and has an extensive background at McKinsey. David is based in Sydney and will be joining Peter Dale from our London HUB in reviewing our General Insurance articles and others. You can contact David at david.harrington@internalconsulting.com

September’s *Article of the Month* is from Roland Berger, which always punches above its weight in the quality of its insights. On this occasion, Roland Berger has unusually sponsored a journalist to interview Harvard professors who have written a fabulous new book on the strategic implications of AI. It is one of the best articles we have seen for a long time. This type of curation is just another reason why ICG’s *The Insights Review* should be your main way to find the very best insights from across the global consulting industry each month.

Having an AI Strategy is Essential to Survival – Roland Berger.

Our hearty congratulations to the author.

Please stay and work safe this month, and as always: happy internal consulting!

David Moloney
Global Editor



David Moloney
Global Editor

About

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



**THE
INSIGHTS
REVIEW**



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Cross-Industry Functional Topics

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Leadership & Executive Development | Risk & Compliance | Human Capital
Customer Experience & Marketing | Technology
Operations & Transformation | Cyber Security & Privacy | Pricing



Cross-Industry Functional Topics

Strategy & Transformation

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

ARTICLE OF THE MONTH

“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.

“How Transformative CEOs Lead in a Crisis” – BCG

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

An oldie but a goodie, as BCG reframes a previous great insight into Covid advertorial and adds the claim that they have played a role in over 750 corporate transformations.

This insight distills their experience into five (really six) at once obvious, but characteristically insightful and penetrating, best practices. They include:

- Resolving to catalyze change and treat the change as a formal transformation program (and hire BCG)
- Creating momentum through quick wins which fund the journey and are convincing in the way they motivate change through storytelling (I prefer Birkenshaw’s term of creating emotional conviction within the team)
- Not only take out cost, but pursue growth and business model resilience
- Approach the situation like an outsider, as if they are a new CEO (who perform better, as they have no attachment to legacy)
- Approach transformation as if it has no finish – this is what ICG calls ‘Transformation As Usual’, or ‘TAU’.

The five are explained and elucidated with some punchy analysis of best practices. One this reviewer hasn’t seen before is Exhibit 2, which makes the point that the most successful transformation programs are growth (revenue) as well as cost focused, and therefore invest not just capital for capacity, but in R&D and new digital business models.

Essential reading for all stakeholders embarking on a transformation program.



Cross-Industry Functional Topics

Strategy & Transformation

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

“Building Your Uncertainty Advantage” – BCG

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

Great title for these times, so much so that BCG has re-released this article.

We still like it, as it simply segments management capabilities around what your reviewer would call the “uncertainty lifecycle” of sensing, acting, and recovering from those signals that you might have missed and not acted upon. The insight helpfully provides a short summary of each capability with some compelling case anecdotes. These serve as additional motivators to explore and start building these essential skills for dealing with the phenomena which was once referred to as ‘whitewater’ (and, per preceding review, what ICG now calls ‘TAU’ or Transformation As Usual).

Well worth a skim for all executives and internal consultants. **lr**

Cross-Industry Functional Topics

Ecosystems, M&A and Integration

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

“The Coming Wave of Banking M&A” – Bain[VIEW PDF \(1 PAGES\)](#)

A sharp synopsis detailing the potential for M&A. The key point is that it will be the serial experience acquirers that will win this phase, as well as new fintech entrants who offer superior services as banks turn inward to focus on delivering mergers.

“2020 Insurance M&A Outlook: Pursuing Growth Amid Uncertainty” – Deloitte[VIEW PDF \(32 PAGES\)](#)

Deloitte provides a detailed analysis of the 2019 insurance M&A market, including a country-by-country outlook. Underlying M&A drivers for 2020 in relation to portfolio optimization, improving customer experience, innovation imperatives, and opportunities in the growing InsureTech undoubtedly have not changed since the start of the pandemic. Thus, for readers looking for a good summary of these drivers, the back portion of this article is a worthwhile read.

Yet this reviewer misses two critical aspects as Q3 draws to a close: Firstly, we miss any reference at all to the impact the pandemic has had on M&A appetite. Secondly, in 2020, corporate development is about more than just mergers and acquisitions. We miss the current shift of resource allocation to partnership-based business models, such as customer-centric insurance ecosystems. Thus readers looking for insights as Q4 2020 commences will be sorely disappointed. **lr**



Cross-Industry Functional Topics

Leadership & Executive Development

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

“Igniting Individual Purpose in Times of Crisis” – McKinsey

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

We are all faced with tremendous challenges, and leaders are juggling more than they’ve had to in the past; however, one of the critical fundamentals that hasn’t changed is the explicit purpose of the organization. To that extent, everyone has the opportunity to find a connection that is meaningful to them.

This article from McKinsey & Company explores the relationship between the organizational purpose and the individual purpose. It seeks to trigger the needed conversations in the workplace to help employees express their sense of purpose and find ways to apply in their working life.

The article presents the results of a survey that captures the direct link between values and purpose, serving as a compass in life to find meaning and basis for engagement. Even though such results do not offer a direct answer to what the individual wants or needs from work, in such difficult times it promotes the urge for the discourse to occur and for the leader to facilitate the ongoing conversation and encourage personal reflections to re-imagine a purpose-led future.

“Becoming a More Patient Leader” – HBR

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

This HBR article is very timely, addressing one of the most important traits for leadership during a crisis: patience!

The article reports on survey results; it highlights the positive correlation between the leadership level of patience and the stories of creativity, productivity, and collaboration it may create among the employees.

Also, the article lightly explores some of the most common approaches to boost patience amongst leaders in the workplace, which makes for worthwhile reading. Still, if you are keen to dive deep, this reviewer recommends further lessons in mindfulness and character strengths. **lr**



Cross-Industry Functional Topics

Risk & Compliance

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

“COVID-19: Data-Driven Approaches for Managing Mortgage Fraud Risks Heightened by the Pandemic” – Deloitte

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

Mortgage fraud is often a hidden cost of mortgage finance, and this work is well worth reading.

“Financial Risk Management: Practice & Governance in the COVID-19 Crisis” – Promontory

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

A lengthy and comprehensive document, but alas it is a little dense and could have done with a clear executive summary to aid the reader. However, if you have two or three hours, it is very useful and gives some good insights. **lr**



Cross-Industry Functional Topics

Human Capital

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

“Lifelong Learning Is Important in Changing Times” – Roland Berger

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

An interesting article, although the content is much broader than what the title implies. Readers may want to initially review the key information points to the left of the article and the key headings in order to understand the key points. This should make it easier to read. The author does outline the future trends linking how technology supports new ways of learning. CHROs and Chief Learning Officers will find this of interest.

“Flex for Success: Five Practices That Build a Flexible Workforce” – Bain

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

This easy-to-read article is worth investing the time to read. It provides some real-life examples of organizations and their initiatives to implement true flexible working practices. The examples provided are very similar to what we here at ICG see in our clients who are using flexible work to lift both employee engagement and productivity.

The article includes access to a PDF checklist to gauge where your organization is on its journey to flexibility. Recommended reading for all C-suite leaders. The Ir logo is a small, stylized icon consisting of the letters 'Ir' in a bold, sans-serif font, enclosed within a square border.



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 Art of Customer-Centric Artificial Intelligence” – Capgemini

[VIEW PDF \(48 PAGES\)](#)

This long and impressive CapGemini Research Institute article is based on extensive global cross-industry research into the use of AI. It explains how COVID-19 has fast-tracked contactless engagement and AI-supported experiences, resulting in over half of all customers using AI daily. Despite this, customer satisfaction levels are falling and consumers are increasingly expecting more humanized, context-aware, ethical, and generally customer-centric AI experiences. Businesses are innovating fast, but often failing to implement AI where it has the strongest customer benefits (vs cost or business benefits) and also generally failing to work out how and when to insert their employees in omni channel experiences to deliver the all-important “wow factor” at key moments of truth. **lr**



Cross-Industry Functional Topics


Technology

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

“Cloud Computing: Reframe Your Mainframe” – Accenture

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

This short and engaging article recognizes the mainframe modernization and legacy transformation journeys that many financial services organizations across the world have embarked on, now finding themselves in various stages of that journey. The authors also highlight the vast wealth of data and operational complexities that still reside within legacy applications, which makes the move off mainframe native to cloud infrastructure complex and one that requires a nuanced understanding and approach. Accenture does provide a Six R framework (Retain, Replace, Rehost, Replatform, ReFactor, and Reimagine) that provides a high level “How” to start or uplift the organization’s current platform modernization efforts. They also articulate, at a high level, the business need for such efforts and recognize the unique circumstances, complexities, and progressions various financial services organizations may be on. Subsequently, they describe why a ‘one size fits all’ approach cannot be feasible, owing to the inherent diversities of the complexities, and how an in-depth understanding of an individual organization is required for successful application of the Six R framework to modernization.

This compelling article could have benefited from further insights relating to specific geographic themes that may impact the financial services institution’s legacy transformation journey or strategy, such as how various regulations in jurisdictions may impact the strategy and tailoring of the Six Rs for Reframing the Mainframe. 



Cross-Industry Functional Topics

Operations & Transformation

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

“Building the Vital Skills for the Future of Work in Operations” – McKinsey

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

This article will be of interest to those following the automation and digitization impacts on future skill requirements and demand. McKinsey calls out the need to reassess the skills required for operational excellence as automation and digitization drive change. COVID-19 accelerated this trend across industries and is becoming most acute in operationally intensive industries. They call for firms to understand which new skills are required and begin developing up-skilling and re-skilling programs to meet the challenge.

The article revisits a 2017 survey conducted by the firm that reported two-thirds of surveyed executives listed skills as a top ten priority. It also reported that only 7% of those executives believe their company is prepared to address this concern. Exhibits 1 and 4 are useful summaries of the industry impacts and a phased approach for corrective action.

Executives and consultants living through skill challenges in their organization will get benefit from the article. It should create greater focus on addressing skills shortages and building capability when executing digitization initiatives and future road-maps.

“The AI-Powered Enterprise: Unlocking the Potential of AI at Scale” – Capgemini

[VIEW PDF \(40 PAGES\)](#)

This comprehensive report from Capgemini research provides a summary of surveys and interviews with 950 large organizations with ongoing AI initiatives. It explores the progress these firms have made since a 2017 survey, including the impacts of COVID-19. The article will be of interest to anyone following developments in AI.

The research attempts to distill the essential characteristics for AI success, as well as highlighting some common barriers to success. The barriers identified are standard across tech-oriented initiatives, but that does not take away from the value of the report. There is good coverage across industry sectors, from financial services to consumer products and retail. The research quantifies progress by sector and provides some interesting case studies. The effects of COVID-19 vary by industry, but broadly point to AI leaders doubling down and speeding up their AI efforts, whereas laggards pulled investments and suspended activity. Figure 5 provides a summary of progress by industry.

The article is worth reading for anyone interested in AI. It is sales-speak free, and offers insights into the evolving AI landscape.

“The End of Bureaucracy, Again?” – BCG

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

The article from BCG’s research arm, The Henderson Institute, explores the history of bureaucracy and its merits for organizing work. It will be of interest to C-suite executives and consultants prepared to rethink the best structures to deliver value.

The research validates the essential elements of a bureaucracy for organizing complex endeavors, but calls into question its future value as greater premiums are placed on agility, adaptiveness, and innovation. The exhibit on page three provides a sample of alternative structures and some of the organizations trying new things. This is followed by a more detailed assessment of Zappos’ experiments with alternative forms of organizations.

The article is worth reading for anyone interested in organization design. It goes beyond the superficial to provoke new thinking, but stops short of being prescriptive. **lr**

“Cybersecurity in the era of COVID-19” – MITSloan[VIEW PDF \(8 PAGES\)](#)

This “pulse check” by MITSloan is a good, quick read that adds some experience in terms of “what can go wrong” and what can be done to mitigate risks now that we are six months into the COVID-19 pandemic. A good reminder to board members and executives that the pandemic is not over, neither are the privacy and cyber security risks.

“Follow the Leaders: How Governments Can Combat Intensifying Cybersecurity Risks” – McKinsey[VIEW ARTICLE](#)

Out of the Public & Social Service Practice, this paper attempts to map common elements of “successful strategies” to combat cyber security risks, one of the greatest risks faced by all nation states. The authors do this for 11 leading benchmark countries using two indices – the Global Cyber Security Index (GCI) and the Network Readiness Index (NRI) – to measure effort vs performance in achieving a particular outcome. This is a fascinating survey for those who are watching development of national strategies, and there is much discussion today in the cyber security sector to understand what is working. Adding a performance- or outcome-based measure would be useful; until they do, maybe look at the cost of a data breach report from Ponemon/IBM in the [August issue of TIR](#). We hope they continue to progress this research in 2021. **lr**

“How Insurance Consumers are Responding to COVID-19” – Bain

[VIEW ARTICLE](#)

A quick read, this article covers findings from Bain’s first COVID-related survey of more than 43,600 consumers in the US, with implications for insurers in the areas of pricing, digital channels, and tailored offerings.

The results support what one would expect: switching being significantly higher for customers affected by COVID (by roughly a factor of 6) with price, by far, the leading reason for switching. The three broad lessons they proffer for insurers – tailor the offering; ramp up digital distribution and marketing; and, simplify, automate, and digitalize operations – are nothing really new. As the authors point out, the pandemic has simply altered the weightings of consumers’ priorities for insurance, though for how long is not clear.

Worth a quick skim by marketing and strategy managers at all levels in the insurance industry. **lr**



Industry-Specific Topics

In this Section:

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

Industry-Specific Topics

Macro Financial Services

Reviews by: David Moloney | ICG Global Practice Leader Financial Services | [Contact](#)**“Banks are Mining New Forms of Value with Sustainability” – Bain**[VIEW PDF \(1 PAGES\)](#)

Setting a new trend in short and sweet insights, three Bain partners make a simple argument of why banks should adopt ESG principles, and provide a six-step plan for integrating them into their business model. Simple!

“Lessons Learned During COVID-19: A Canadian Banking Study” – Deloitte[VIEW PDF \(12 PAGES\)](#)

A very unusual backward look at what Canadian banks did during the crisis. Presented as a longish laundry list of characteristics synthesized from interviews with 30 senior Canadian bank executives, the take aways are grouped into:

1. Accountability to results or outcomes
2. New ways of organizing, and
3. A new focus on eX.

Each is complemented with a further list of ways to sustain the change.

Ironically, despite the advice to remove structure, the report recognizes the four actual authors but suggests the readers only contact their boss.



Industry-Specific Topics

Macro Financial Services

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

“Banking in the New Reality: Six Trends Shaping the Industry” – KPMG

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

This insight starts superbly with synthesis of six key trends reshaping the industry and the promise of a drill-down by geography. While the trends won't surprise our readers, the specific wording used is helpfully topical and convincing, so provides good fodder to internal consulting teams challenged with the same task. The drills-down by geography appear to be well executed with a point and click map, but unfortunately are almost devoid of any localization. Worth a skim only.

“How Banks Can Prepare for the Looming Credit Crisis” – Accenture

[VIEW PDF \(30 PAGES\)](#)

A timely, intelligent, and authoritative analysis of the impending credit crisis facing the sector. It walks logically through historical precedents to produce a useful framework for how the crisis will likely unfold. Unfortunately, too much of the article is focused on the former and there is scant detail on the latter. What is provided exudes an advertorial bias towards systems solutions (Accenture's strong point). If you need pragmatic help on focus areas such as re-orienting portfolio weightings, re-pricing, and upgrades to judgmental credit and work outs, then contact your preferred ICG consultant or local HUB.

Industry-Specific Topics

Retail & Business BankingReviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“Breaking Away From the Pack in the Next Normal of Retail Banking Distribution”
– McKinsey****VIEW PDF (8 PAGES)**

The COVID crisis has quickly exposed relativities in distribution performance between retail banks. Engaging and insightful, McKinsey’s review highlights specific areas of out-performance achieved by leading retail banks across key distribution metrics before the crisis, and how this has translated into much greater resilience during the crisis.

Leaders were not only able to rapidly adapt to the surge in digital channel usage, they were also able to transform their physical channels – including call centers and branches – to optimize client experience and efficiency.

“Canadian Retail Banking in the Age of COVID-19: Scenarios for Resilient Leaders” – Deloitte**VIEW PDF (36 PAGES)**

Deloitte has taken out its crystal ball to prognosticate on a range of scenarios for how the COVID crisis might play out, based on the severity of the pandemic, the timing of a medical response, and the actions of governments. Despite its title, the scope of this article is global, and not limited to Canada.

The creativity named scenarios such as “Passing Storm” and “Sunrise in the East” are sketched in detail, and each scenario presents starkly different outcomes for retail banks based on various factors such as consumer trust, competitive dynamics, and level of government responsiveness. As such, while much effort and creativity has gone into this paper, it is difficult to use this as a guide to any type of action program.

For this reviewer, the most compelling section was the review of the ten forces that will impact retail banking regardless of which COVID scenario plays out – for example, that there will be an increased expectation for banks to play a societal role beyond shareholder return.

Industry-Specific Topics

Retail & Business BankingReviews by: Julian Cappe | ICG Practice Leader Retail & Business Banking | [Contact](#)**“World Retail Banking Report 2020” – Capgemini****VIEW PDF (36 PAGES)**

Capgemini’s 2020 report focuses on the issue of platform transformation, exploring how retail banks are under pressure from nimble competitors with advanced digital capabilities and low-cost, customer-friendly offerings.

Most retail banks are still heavily constrained by legacy systems, and siloed business units that depreciate customer data and the bank’s ability to provide hyper-personalized customer engagements. In contrast, new entrants operate off agile digital stacks enabled by open-platform architecture. The report explores the issues and considerations for retail banks looking to uplift and modernize their core platforms.

The issues are explored at considerable depth, including a good analysis of the build/buy/share option set. This report will be of interest to those working across digital and platform transformation.

“The Shifting Nexus of Retail Banking” – Strategy&**VIEW PDF (14 PAGES)**

A dense but worthwhile paper, this argues that as banking becomes more transaction-based, retail banks are increasingly competing both with technology companies and specialist payment providers to manage and control the transaction experience.

In the dynamic consumer banking landscapes of China and India, new competitors such as Alipay and Paytm have already displaced banks as the primary channel for many types of banking transactions. Examples also exist in developed economies, such as the emergence of buy-now-pay-later providers, and the looming presence of big tech across the payments sector. As power shifts from account management to transaction execution, retail banks are in a precarious position, with transaction-based revenue streams increasingly at risk.

The paper makes the case that in order to succeed, banks will need to continue to invest in redesigning their relationships with customers and optimizing user journeys. They will also need to capitalize on the key asset of trust, a commodity that will become of increased importance as personal data rights come under government scrutiny. **Ir**



Industry-Specific Topics

Fintech

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

“Six Ways Financial Services Will Adapt to Bigtech in the UK Market” – Oliver Wyman

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

Despite its title, this short article is relevant to most countries, not just the UK. It discusses how incumbents can respond to the reality that smartphone apps are an open door for Google, Facebook, Amazon, and their ilk to push into the profitable low-risk bits of financial services and take over customer relationships. The incumbent response options it describes are a bit obvious. **lr**



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Industry-Specific Topics

Corporate & Investment BankingReviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader (UK) | [Contact](#)**“How Will ESG Performance Shape Your Future?” – EY****VIEW PDF (16 PAGES)**

This and the article reviewed below are two bites from the same cherry pie – the pie being the presentation of EY’s findings from their 2020 Climate Change and Sustainability Services Institutional Investor Survey. This being the shorter version, it is narrated in an article format as the insights document.

Both point to the increase in investor focus on companies’ non-financial performance, the need for a more robust approach to analysis, and instilled discipline in reporting the same. COVID-19 makes its appearance as a topical garnish to highlight the freshness of the dish, the ingredients for which were gathered in February 2020.

Essentially this is aimed at corporates who are seeking to attract investors, more than readers with an interest in CIB.

“2020 EY Climate Change & Sustainability Services (CCaSS) Institutional Investor Survey” – EY**VIEW PDF (36 PAGES)**

See preceding review – this is the more detailed presentation of the research. It is baked on the responses of 298 senior decision makers at buy-side institutions around the world, so a cherry pie with a decent spread of ingredients.

Industry-Specific Topics

General Insurance

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

“How Insurers Can Improve Combined Ratios by Five Percentage Points” – McKinsey

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

A good read, and the article captures most of the savings opportunities. The open question is that many of these opportunities were available in the 1990s, and still insurers did not take advantage of them – so why have these opportunities not been seized? Some more examination around change delivery capabilities and how to build them would have been useful.


“The Age of With™ Accelerating the Impact of Augmented Intelligence in Insurance” – Deloitte

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

The paper explores how insurance will be transformed by AI. AI is widely expected to be the next wave of disruption for insurers (after digital) and will build on the exponential growth in data.

We all understand the disruptive potential of big data, machine learning, and AI. The industry has already invested a lot in piloting initiatives that leverage AI. Many general insurers have completed proof of concepts (POC) demonstrating ways to use AI and machine learning to design more efficient processes, create connected and real time customer experiences, enable ecosystem models, deliver faster and more automated customer service, and automate risk selection and pricing. More recently, the COVID19 crisis has created new demands to make decisions on strategy based upon dynamic analytics of macroeconomic, industry, and portfolio performance.

But few insurers have been successful in scaling AI, and executive teams are getting overwhelmed by the “death by POC” syndrome. We know it’s easy to describe a positive future for insurers fueled by digitization and AI, but the real challenge is scaling the implementation of AI beyond proof of concept and pilots, entrenching AI and machine learning into insurance organizations and decision-making.

This Deloitte article suggests that one way to scale AI is taking a robust use-case led prioritization approach. The authors also suggest how key insurance roles – including Actuaries, Underwriters, Agents and Adjusters – will need to be redesigned to embrace AI. Deloitte’s suggestion, which seems reasonable, is that the data-intensive, manual processes of today will evolve into robotic processes and the human roles will evolve into higher cognitive activities. The article suggests the road-map to make this happen. 



Industry-Specific Topics

General Insurance

Reviews by: Peter Dale | ICG Subject Matter Expert | [Contact](#)
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David brings together substantial experience from a senior executive career, including as Group Executive Strategy and Corporate Development at Australia's largest general insurance company IAG, with a strategy consulting career with McKinsey & Co in Sydney and New York. He has also worked as a senior executive at Microsoft and as a leading technology entrepreneur including as CEO of Peakhour. His passion is supporting organizations leverage strategy and data science to navigate the right course, improve decisions and optimize performance.

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REVIEWS OF THE WORLD'S LEADING INSIGHTS



THE INSIGHTS REVIEW

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ARTICLES OF THE MONTH

THE BEST INSIGHTS OF THE PAST 12 MONTHS



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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.



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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.



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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.



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JULY 2019

“Optimize Social Business Value” – BCG

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

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

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

“Does Digital Leadership Matter?” – Accenture

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

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

JUNE 2019

“Pursuing Cybersecurity Maturity at Financial Institutions” – Deloitte

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

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

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

Well done, Deloitte.



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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.

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