



THE INSIGHTS REVIEW

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ARTICLE OF THE MONTH: *'Retail Banking Distribution'* – BCG

About this Report

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

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

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

Access to Full Reports

If you find an insight review of interest and wish to access the full report, simply follow the link beneath the title. Where possible, this will take you to the full report. Occasionally, the publisher may require the user to complete a registration or payment process prior to accessing the report.

Links are current at time of publication.

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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
- BCG
- Capgemini
- Deloitte
- Ernst & Young
- FMCG
- Huron Consulting Group
- IBM
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- Macquarie University
- McKinsey & Company
- OC&C
- Oliver Wyman
- Parthenon
- Promontory
- PwC
- Roland Berger
- Strategy&



Message From the Editor

The Wisdom of Teams was a groundbreaking book in its day, and helped us all to understand the ingredients that created high performance teams. However, ICG's analysis reveals that when you hire a branded consulting team, you often don't get a lot of wisdom – while the partner on the assignment has an average of nearly 10 years' experience (and the associated wisdom), the juniors have only 2-3 years... and of course the partner is not working on your problem full-time. By our reckoning, the average experience (read: wisdom accumulation) in a consulting team is only 4.4 years. By contrast, the average for an ICG consultant is over 14!

These statistics might not be such a surprise, so as you use branded firm pyramids – or contemplate using them – it pays to be mindful that augmenting your team with an experienced (and wise) unbundled consultant from ICG is not only good value on a per day rate (typically 30%-40% less) but they also bring substantially more experience, as well as an approach which is very much focused on building your internal consulting capabilities, not ours!

This month, our Article of the Month is entitled '*Retail Banking Distribution 2025: Up Close and Personal*' from BCG, as reviewed by Julian Cappe, leader of our retail banking work at ICG. With 19 years' strategy and consulting experience, Julian actually exceeds the ICG average by a significant margin! You can reach Julian via julian.cappe@internalconsulting.com.

["Retail Banking Distribution" – BCG](#)

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.



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INSIGHTS
REVIEW**

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Cross-Industry Functional Topics

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Cross-Industry Functional Topics

Strategy & Transformation

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


“Mastering the Duality of Digital: How Companies Withstand Disruption” – McKinsey

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

Innovatively presented insight (web version) which is based on two surveys (details lacking) of companies segmented by their approach to digitization and revenue success. The most successful are identified as incumbents pursuing a dual digital strategy, i.e. those who have digitized over 20% of their business and are launching new digital businesses as well as transforming their core.

Using the results of a second survey sample (again, details lacking), the article goes on to identify three bold moves which stood out for those achieving 25% revenue growth or higher over three successive years:

- Investing 50% of their digital capital in new digital businesses rather than just digitizing legacy businesses;
- Building substantially more digital capability and acquiring more digital businesses; and
- Adding substantially more new digital products.
- The insight includes summaries of related questions around IT effectiveness and artificial intelligence.

While the article comes across as a cobbled-together rehash of surveys, it does usefully reinforce some good digital strategy principles for executives and internal consulting teams. **DM** 



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 2019 M&A Report: How to Master M&A in a Downturn” – BCG

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

Good article – worth a read. Examples provided are good, but they strangely ignore Warren Buffet and Berkshire Hathaway. **PD**

Virtualization in Financial Services

KAR 015



75 pages

A peerless synthesis of available information (public sources, applied science journals, research databases, public company records).

[VIEW KAR 015 >](#)

CUSTOMER NEEDS SOLUTION (CNS)

A new approach & mindset that helps your business grow by ensuring that you are always meeting your customers' needs and wants



Executive Summary

- Consistently meeting customers' basic needs is the proven way to outperform competition, and take the lead, in any marketplace.
- To do so, you need to respond to a highly competitive and complex omni-channel landscape, and avoid data overload and conflicting and confusing insights. Digital and competitor disruption provides additional challenges putting all revenue streams & budgets and resources are under constant pressure.
- CNS is a simple approach to understand your customers, and to determine the best course of action to delight them. Built on decades of deep CX expertise, and fused with the power of the latest AI technology, CNS is a solution that provides absolute and singular clarity about your customers' needs and wants, how well front line teams are delivering, and how they need to continue.
- CNS provides actionable information to focus your resources to ensure the maximum positive impact on your customers and your business. As a result, you will experience increased sales and profit, through happier & more loyal customers and more engaged staff.
- The CNS approach enables you to measure ongoing execution and to monitor and report results. To do so, we have developed an innovative new metric, NetCNS, created by Stephen Hewett, an ICG Global Thought Leader.

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Cross-Industry Functional Topics

Leadership & Executive Development


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

“Finding the Balance in Leadership Styles” – McKinsey

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

Donald Hambrick argued that it won't always be the CEO who makes the strategic choice needed for the organization. Sometimes, it will be the top management team, middle managers, or even lower-level employees that account for the development of creative, strategic alternatives. But it will always be people and their relationships who make strategy something other than a purely rational endeavor.

This McKinsey article argues the need for creative competencies in response to the increasing complexity that we are facing in a fast-paced business environment. The writer asserts how the directive, protecting, and controlling style of senior executives should be substituted for a creative and curious mindset. Also necessary are the ability to remain open to new perspectives and the willingness to experiment to fail and learn. Further, the writer highlights the need to reintroduce the human element to our strategy inquiries. It is an invite to test, refine, retest and prune the teeming profusion of ideas that have been generated by all relevant players.

Such an approach resonates positively with the recent development in the open strategy literature and practice. It is also in line with the open innovation leadership discipline. **WA** 

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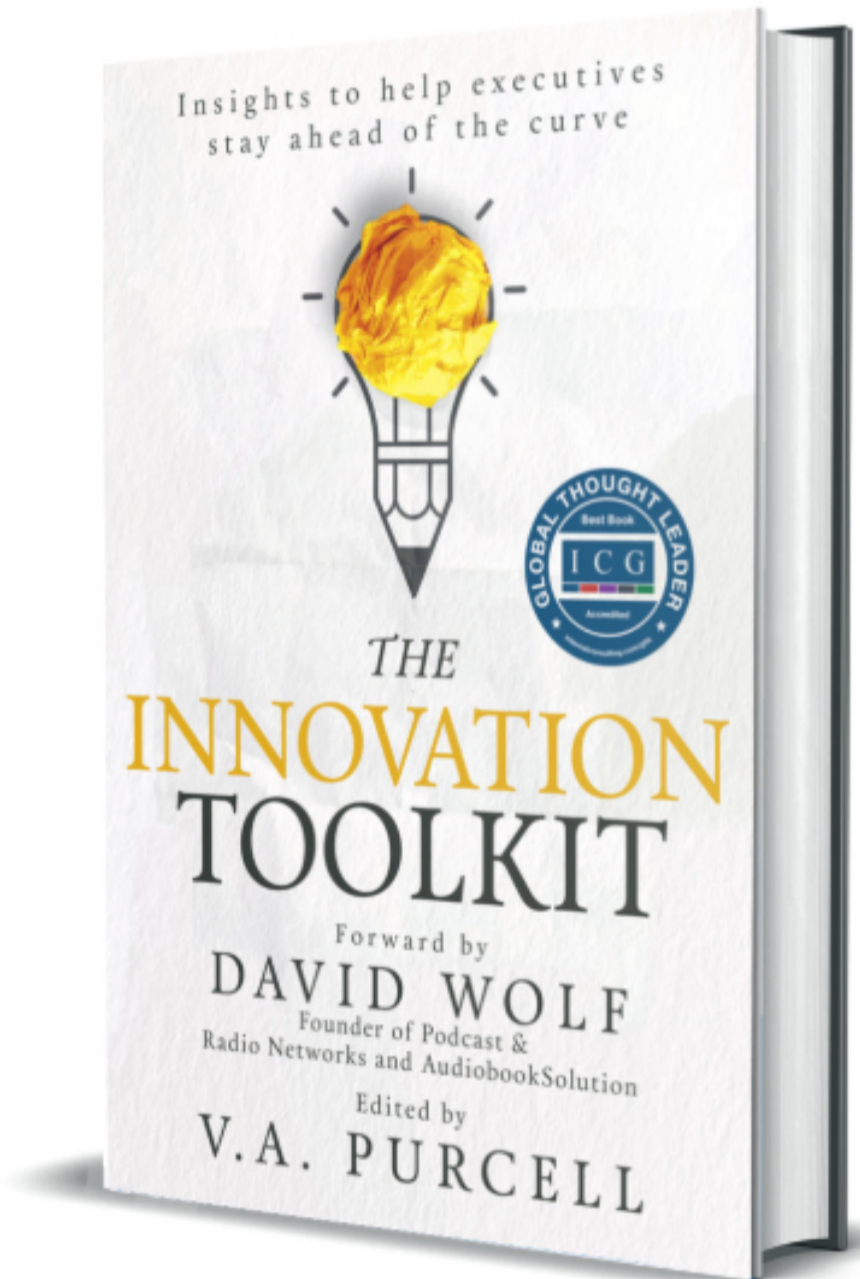
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Cross-Industry Functional Topics

Human Capital

Review by: Michael Roch | ICG Global Practice Leader | [Contact](#)

Greg Barnier | ICG Global Practice Leader Organisation Culture & Workforce Capability | [Contact](#)

“Organizing for the Future with Tech, Talent & Purpose” – BCG

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

The authors at BCG take the view that traditional organizational models are not keeping up with what they identify as the key drivers of change in today’s business world, namely a) pervasive technology and data; and, b) talent in the digital age. The team posits that tweaking around the edges of current organizational models is not sufficient.


The new generation of both talent and consumers are expecting businesses to go beyond just profits and to positively impact society. This will be no surprise to CHROs and CEOs who have been focusing on employee engagement as one of their key organizational capabilities to give them a competitive edge. Many recent studies in the field of organizational and positive psychology point to “purpose” in organizations and the quest for individuals to seek a ‘meaningful life’; your reviewer thought this paper could have expanded on this a little further.

Six characteristics of re-imagined organizations are identified and explored, with a few brief examples/case studies. Your reviewer struggles with the term “jazz leadership”. Otherwise, the concepts presented are articulated for an easy and interesting read for CEOs and CHROs and it is well worth your time. The ideas presented are well supported by studies in the field of positive organizational scholarship. **GB**

“Flex-Work Programs that Actually Work” – BCG

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

A nice quick read from BCG which, to its credit, has worked through that flexible working options should be utilized by all members of the workforce as it suits them, and not particularly have a gender bias.

Six imperatives for successful flexible work programs are identified and discussed. These are supported by real examples/case studies. A great reminder to those who regularly attend diversity and inclusion seminars, and a great introduction of ideas for those looking to embed successful flexible working programs in their business. **GB** 

Cross-Industry Functional Topics

Marketing & Customer Experience

Review by: Lisa Hickson | ICG Global Practice Leader Customer Experience Strategy | [Contact](#)
 Stephen Hewett | ICG Global Thought Leader - Customer Experience | [Contact](#)

“Forget Customer Service, Meet the Next-Generation Customer Experiences” – Accenture

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

This article highlights the speed of change of customer expectations with respect to customer experience. The example is simple, but illustrates the point well. The authors draw attention to the idea that CX was often delivered, wrongly, by overemphasis on process KPIs rather than the customer’s experience.

Worth a read, and a good basis for challenging your own business’s customer experience. **SRH**

“Customer-Centric Digital Transformation” – Deloitte

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

If you are looking for some useful stats about how being more customer-centric can create additional revenue and reduce churn, look no further than this article.

However, aside from the numbers, there is also a useful definition of customer success (CS) and a simple maturity model.

Lastly, the authors make the case for a balanced scorecard approach – something your reviewer very much agrees with. **SRH**

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Addresses (and provides approaches to help answer) the questions on the mind of every financial services executive.

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Cross-Industry Functional Topics

Technology


Review by: Christophe Amoussou | ICG Practice Leader IT & Transformation | [Contact](#)
Karen Ryan | ICG Practice Leader IT Strategy | [Contact](#)

“Sharpening Company Insights Through Advanced Analytics” – Bain

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

This Bain article reveals how advanced analytics reshapes every industry and assists every function, even the most brain power demanding: Private Equity analysts.

According to the authors, with the constant progress in this field, advanced analytics delivers deeper insights on a wider range of information within minutes to hours, whereas it used to take days or weeks – giving investors a critical advantage in time-sensitive decision moments. It is a game-changer for a fund company. However, Bains warns us that these tools still have to be manipulated by the right talented resources once the right problem is posed.

Overall, it is a fantastic paper that is also easy to read. It is full of examples of how this technology has already helped PE firms. It should be considered a must-read for anyone in the financial industry (and beyond) wondering if/how analytics could help their business. **CA** 



Cross-Industry Functional Topics

Operations & Transformation

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

“Banks Can Outsmart the Competition with Intelligent Operations” – BCG

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

The article will be of interest to financial services executives and internal consultants looking for ways to improve efficiency in the face of new regulatory and market trends. It encourages banks to move beyond investments in sophisticated digital storefronts to the integration of automated operational capabilities. The authors suggest that, based on BCG experience, success in this arena can deliver 20-40% cost reductions over a 3–5 year horizon.

There are some good exhibits in the article that help to summarize key points. Exhibit 2 captures some of the key enabling technologies to support a variety of activities which improve end-to-end process performance. Exhibit 3 highlights the benefits banks can generate through improved intelligent operations.


The final two pages suggest options for launching an intelligent operations program. These include establishing an intelligent operations center to identify improvement opportunities, creating a road map for implementation, and establishing multidisciplinary teams to realize the benefits – all very sensible, although of course the devil is in the detail of the doing. **JL**

“The Forgotten Step in Leading Large-Scale Change” – McKinsey

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

This is an excellent article based on the book Beyond Performance 2.0 by two McKinsey partners. The underlying hypothesis of the book and article is that change programs that explicitly identify and assess the skills and mindsets required to achieve the objectives of a change program are far more likely to succeed.

The article uses a number of case studies to make its point. The authors lay out a case for taking the time to understand the skills and mindsets required to make the desired outcomes a reality. They caution against leaping to action planning before skill and mindset requirements are clearly understood. This focus on the soft skill requirements is often overlooked and at odds with an action-oriented C-suite that is keen to make progress quickly. The first step in action planning should be about how to achieve the required skills and mindsets. The planning should then consider the best way to acquire the necessary capabilities and should consider building, buying, and borrowing in the set of options.

Executives tasked with driving major change would benefit from reading this article. Those particularly interested in the topic may go a step further and buy the book. **JL** 

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Cross-Industry Functional Topics

Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)

“Payments Just Want to Be “Free” – How Can Providers Adapt?” – Bain

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

This article is a quick read to catch-up on what has been underway in payments for a number of years. The authors hone in on the idea that eventually payments acceptance will be free for both consumers and merchants, citing examples of the Asian Super Apps (WeChat, Grab, Go-Jek) and that for payments players to remain profitable they will need to add services to do so. While payment acceptance might appear to be free in the future for all, there will still be the systems and continued investment required to facilitate the payments (and fraud mitigation), which will ultimately be included in the cost of other services or goods. **RM**

“Global Payments 2019: Tapping Into Pockets of Growth” – BCG

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

A joint effort by BCG and Swift, this article goes into depth about how continued growth in worldwide payments revenue since 2008 has attracted a significant amount of investment and new players into the space, focusing on a number of valuable revenue pools that the incumbent payment players need to take notice of. The article lays out expected growth for many of the larger global regions as well as offering great analysis on retail vs. wholesale payments and card present vs. card not-present future growth projections (valuable if you are in the midst of long-term planning). **RM**

Cross-Industry Functional Topics

Payments

Review by: Ryan McQueen | ICG Global Payments Practice Leader | [Contact](#)

“Securing Payments Innovation” – KPMG

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

Quick read which calls for banks, payments providers, and others to concretely work together to embed tightened security into their products, services, and operating models as cybersecurity becomes more and more important. **RM**

“Why the potential end of cash is about more than money” – EY

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

Good summary across the major global markets with some statistics (even though a bit dated) about the continued relevance and use of cash in all societies. The short article tackles some key areas which are being addressed in the global effort to move to cashless, including the challenges with customer inclusion, behavior, and digital identification and verification. **RM**

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Addresses (and provides approaches to help answer) the questions on the mind of every financial services executive.

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Cross-Industry Functional Topics

Cyber Security & Privacy

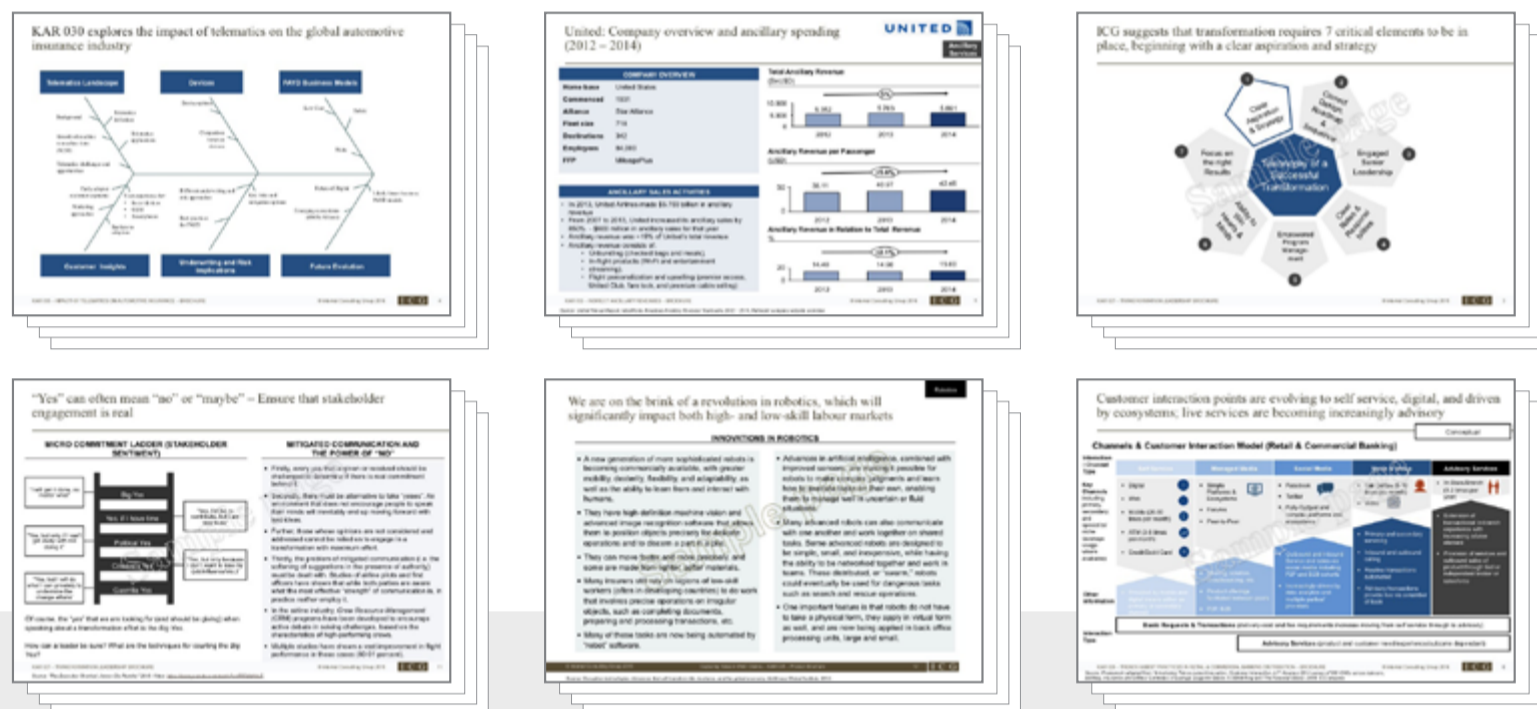
Review by: Mike Trovato | ICG Global Cyber Security & Privacy Practice Leader | [Contact](#)

“The Risk-Based Approach to Cybersecurity” – Mckinsey

[VIEW PAGE](#)

This article highlights that sophisticated institutions are moving from cybersecurity maturity based approaches to cyberrisk based approaches, and explores the relationship between the two. In reality, the most sophisticated institutions are using both, although the journey to risk-based approaches is often variegated. Truly, it is not an either/or decision, but an evolution to cyber resilience – resulting in a proactive approach. One thing the authors point out well, [attackers benefit from organizational indecision on cyberrisk](#) – including the prevailing lack of clarity about the danger and failure to execute effective cyber controls. Boards and executives would benefit from reading this article and having a think, ‘Is my organization just ignorant of the risks to the business?’ or “Are we being negligent by deferring, delaying, and cost saving in the hope the risk does not materialize?” **MT** 

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- Transformation Leadership
- Virtualization in Financial Services
- Pricing in Retail Banking
- Impact of Telematics on Automotive Insurance
- Bank Cost Reduction Program

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Industry-Specific Topics

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Industry-Specific Topics

Macro Financial Services

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

“Open Banking in Australia: An Opportunity to Regain Trust” – Bain

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

A long-winded article from two local Bain partners that says very little new about the imminent onset of Open Banking. In fact, you may find it rather amusing to see how well they stretch some scant facts and concepts into a longish insight paper – Figure 2 being a great case in point. The result is an unsurprising and uninspiring call to action to move quickly with Bain’s help. There are many better articles on Open Banking and its impact that have been reviewed in previous editions of this journal. If you would like to speak to an expert from our Sydney and/or London HUBs with real experience, please get in touch. **DM** 

Innovation in the Business Banking Value Proposition

KAR 011



170 pages

Addresses (and provides approaches to help answer) the questions on the mind of every financial services executive.

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Industry-Specific Topics

Retail & Business Banking

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

“Moving Away from One-Size-Fits-All in Daily Banking” – BCG

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

The article shines light on emerging challenges faced by retail banks in the face of relentless pressure on profit margins across everyday banking, which is due to a combination of competitive and other market forces. Without taking action to redefine the everyday banking proposition, an estimated 15-25% of retail banking is estimated to be at risk.

In responding to these challenges, it is suggested that the banks should consider some of the tools and strategies deployed by providers across other service industries. The article then sets out a program of work to deliver the necessary transformation. Banks will need to capture deep insights about their customers’ perceptions of value, and then develop new propositions based on product bundling and customer value differentiation. This type of program will necessarily involve a review of product and pricing strategy, and a useful summary is provided of the key types of bundling and pricing models deployed by service providers across the market. **JC**

ARTICLE OF THE MONTH


“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. **JC** 

Industry-Specific Topics

Fintech

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

“How FinTechs are a World of Choice for Small & Medium-Sized Enterprises” – EY

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

A short, well-written discussion of trends in the adoption by SMEs of services from fintechs for credit, payments, insurance, FX, etc. It is well informed, using findings from EY's global fintech adoption surveys carried out annually since 2015 (reviews of these can be found in previous editions of *The Insights Review*). The authors compare adoption by SMEs in mature countries with those in more newly developed countries, including China (which, as is often the case, is an outlier with much higher adoption). They describe the impact of Open Banking and importance of APIs, and the general willingness of SMEs to share data to get better services. It also suggests that fintech-style services and distribution methods are the way for banks and other traditional financial services providers to solve the perennial problem of how to profitably reach and serve SMEs, who need more than consumer solutions offer, but don't want the complexity and expense of solutions designed for large businesses. It is worth skimming this article to get some ideas. **RD** 



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Industry-Specific Topics

Corporate & Investment Banking

Reviews by: Andrew Boyes-Varley | ICG Financial Services Practice Leader (UK) | [Contact](#)

“How Europe’s Banks Can Recapture the Capital Markets Business at Home” – Bain

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


Ostensibly aimed at European Banks, this brief from Bain trots out the much-riden insights (as imperatives) of: digital technologies, right talent, sales and marketing oomph, and ecosystem leverage. What has had less showing in this arena is the steed of ‘purpose’ that Bain lassos to replace the old donkey of ‘product’. However, on further inspection, the horse, ‘purpose’, could be a new ride on the old untamed mustang, ‘customer’. Now, that would be a rodeo to attend – if we could find a way to focus strategy on customer (or even saddled up as ‘purpose’), that would be a step forward from “product” for *all* banks – not just those Europeans, who incidentally may never have encountered a cowboy metaphor in Capital Markets. **ABV**

“Time to Start Again: How Greenfield can Transform Corporate Banking” – Oliver Wyman

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

Yet another perspective on the need to digitise corporate banking, this is set out in clear and concise terms by OW with two embedded case study videos (if you view online).

This time – as the title suggests – it is focused on starting anew to harness digital capability, combining both build and buy (partner/outsource) approaches to quickly reach scale and ensure sufficient value is unlocked in an acceptable timeframe.

The insights highlighted will not be a surprise, and there is overlap in the lessons from the Goldman Sachs and HSBC greenfield projects. Again, this is a call to action in this space. **ABV** 

Industry-Specific Topics

General Insurance

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

“Is Financial Well-Being Insurers’ Biggest Opportunity?” – EY

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

The article is correct to identify this as an issue. But very simply, it boils down to Insurers paying their claims on a timely basis. In your reviewers mind, this is something the article fails to address. Typically, based on this author’s experience in developing claims systems, some 80% of claims volume accounts for circa 5 - 10% of quantum. Yet many insurers don’t see the opportunities of straight-through processing via streamlining/industrializing this work-stream and managing leakage via audit or algorithms. This addresses the issue of prompt payment for the vast majority of clients, and then allows firms to focus on the 90% of quantum (which is only 20% of volume) which really does require expert and sound validation. **PD**

“Five Steps to Building Next Wave Insurance Business Models” – EY

[VIEW PAGE](#)

A synopsis of all the things one needs to do to build an effective insurance. Most readers will have covered this off elsewhere, but in case executives have not, it’s worth reading in order to launch understanding on how to build an effective organization. **PD**

Transformation Leadership

KAR 027



110 pages

In-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others.

[VIEW KAR 027 >](#)

Industry-Specific Topics

General Insurance

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

“Why Insurance Business Models are going to Change” – EY

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

If you have read the article in the preceding review, this will be a good follow on article from the same stable. Again, you are forewarned that this is a well-worn path covered by many articles, so read if this is a new topic to you – otherwise you can skip with a clear conscience. **PD**

“Insurers: How to Lead in the New Era of Connectivity” – Bain

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

A good exposition of Net Promoter Scores (NPS) in insurance. If you are not familiar with this methodology and are an insurance executive, it is worth a read. Otherwise, you can skip – or at least skim read. The author thinks NPS is a good thing, however the frustration your review has is how to drill down into how to operationalize client trade-offs, including that which you must do at a lower cost, and that where you might find profit by innovating or anticipating likely client requests. The real reason is because NPS does not capture comment, and thus help understand if you are meeting needs. NPS is great, but only provides a snapshot on how the brand is doing in the customer’s eyes. This needs to be complemented by other tools, such as CNS and NetCNS, designed to capture how clients’ actual needs are being met, which can then be used to anticipate how to continue to meet needs. When a firm’s NPS score has gone down, the brand is already damaged; better to identify issues before the damage occurs. **PD**


Industry-Specific Topics

General Insurance

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

“How Insurance Changes can Tackle Some of the World’s Biggest Challenges” – EY

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

Again, as per the comments on the EY articles preceding, this is a variation on a theme – albeit a focus on product innovation. Your reviewer generally does not believe the insurance industry needs lessons from consultants on how to product innovate, as the industry has a long history of innovation (especially centred around the Lloyds’ and the London market). It has already undertaken huge innovations in cyber crime, as well as historically been the first providers of motor insurance (albeit with drivers). **PD** 



Industry-Specific Topics

Life Insurance

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

“Product Platforms Reimagines” – KPMG

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

A promising insight that argues for focusing insurance sales on health profiles rather than financial outcomes associated with key risk events. The author successfully argues that insurers already have a lot of the data they need, but are lacking IT infrastructure, partners, and a more customer-centric approach to their business model. Re-orienting to such a platform is already part of the life insurance industry – e.g. the Vitality program, which was started by Discovery in South Africa in 1992. This insight calls for more such health profiling at the outset, with products and services aligned to manage risk. **DM** 

Industry-Specific Topics

Pricing

Reviews by: Alain Miloche | ICG Practice Leader Pricing | [Contact](#)


“Solving the Pricing Puzzle in Wealth Management” – BCG

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

The article would be of interest to those in industries where cost-cutting exercises have limited future opportunities, and for those in service industries where fee compression has become more intense.

The authors present a somewhat lengthy case study using the wealth management industry to illustrate how pricing should be treated as a capability rather than a one-time positioning exercise. The authors focus on creating a pricing capability through four key considerations: customer segmentation, value proposition, pricing structure, and price realization.

They argue that individualized experience resulting from the application of new technologies means that a client needs-based re-segmentation – using qualitative insights as well as data and analytics – is possible. The authors then provide a prescription for pricing initiatives that are basically standard best practices across all industries when treating pricing as a capability rather than a one-time positioning exercise.

The questions at the end of the article provide a useful checklist for those who want to begin a more strategic approach to pricing. Worth a skim, unless you are in an industry similar to wealth management and might therefore find value in a closer read. **AM** 

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

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.

Articles of the Month

The Best Insights of the past 12 months

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 \(23 PAGES\)](#)

Along 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.



Articles of the Month

The Best Insights of the past 12 months

MAY 2019

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

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

Although it is often passed over as a key security topic, privileged account management (PAM) is getting increased attention from regulators worldwide due to several high profile attacks. This quick read is ideal for board or executives interested in understanding key controls in this important area, and could be used by CISOs as an outline for a PAM improvement project in their organizations – provided that they also apply a risk lens on the business unit or process to be secured. Although this paper was developed within the Asia Pacific market, it would apply to any other; just replace the relevant country or state regulation for compliance purposes. Ultimately, compliance should be a by-product of good privacy and security controls, as described here for PAM.

APRIL 2019

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

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

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

This article is a rare instance where the title under-promises and over-delivers. It is exceptionally well-written, engaging and useful. It is a must-read for anyone involved in structuring, performing due diligence, or integrating M&A transactions, large and small.

Articles of the Month

The Best Insights of the past 12 months

MARCH 2019

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

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

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

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

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

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

JANUARY 2019

“The Five Trademarks of Agile Organizations” – McKinsey

[VIEW PDF \(22 PAGES\)](#)

This comprehensive McKinsey article will benefit anyone embarking on, or already on the road to, implementing agile ways of working. Its strength is in consolidating a number of insights into a framework for agile organizational success. The 22-page piece leverages the experience of fifty of the firm’s agile practitioners to identify five trademark elements for agile success.

The trademarks are supported by 23 specific practices that provide a useful level of detail for the reader. Exhibit 2 provides an excellent summary of the concept, trademarks, and practices covered in the article. Exhibit 3 adds a number of building blocks for agile organizations. There is also an attempt to provide a historical context for the move to agile, as well as four trends driving the need for change.

While much of this is existing knowledge, it provides a practical level of detail for the reader. The authors take a position that all five trademarks are required to achieve agile success, and that they must work together. This is a worthy read and part of McKinsey’s focus on agile transformation. It is also a good complement to their recent paper “How to Create an Agile Organisation.”

Articles of the Month

The Best Insights of the past 12 months

NOVEMBER 2018 / DECEMBER 2018

“Working Capital Report 2018/19: Navigating Uncertainty” – PwC

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

It is not common for this reviewer to be so effusive, but this is what would be called a CEO article. It captures and communicates the importance and advantages of good cash management and culture, and gives executives an ability to benchmark themselves. Cash management is normally a focus for restructurers, but this article shows the benefits of this approach for non-distressed operations. It is recommended as a must-read insight.

OCTOBER 2018

“Introverts, Not Loud Extroverts, Make the Best Leaders in Business” – Oliver Wyman

[VIEW PDF \(02 PAGES\)](#)

Introverts stand on many shoulders in the corporate world, especially the C-Suite and functional managers – they are succeeding to lead people and manage the workplace, contrary to the common beliefs that leaders must be extroverts and highly sociable with the ability to demonstrate charismatic attributes in their leadership style.

This paper argues why shouldn't “Introverts” be strong? And what else can introverts do that we don't give them credit for?

Being an introvert influences the choice of relationships, communicating with people, the way to address issues, resolve conflicts, make decisions, and formulate strategies and execute them.

Introverts are drawn to the inner world of thought and feeling, focusing on the meaning they make of the events swirling around them. Introverts feel “just right” with less stimulation. In the workplace, introverts often work more slowly and deliberately. They like to focus on one task at a time and can have mighty powers of concentration. They are relatively immune to the lures of fame, recognition, and self promotion. Once we realize the power of being an introvert, we can contemplate their strengths in building deep relationships, developing meaningful strategies, and executing with excellence.

Figures like Eleanor Roosevelt, Al Gore, Warren Buffett, Gandhi, and Steve Jobs achieved what they did not in spite of, but because of, their introversion.

Articles of the Month

The Best Insights of the past 12 months

SEPTEMBER 2018

“Hidden Costs of Data Breaches Increase Expenses for Businesses” – IBM

[VIEW PDF \(04 PAGES\)](#)

For the past 13 years, the Ponemon Institute has produced this outstanding annual review of costs associated with data breaches of less than 100,000 records. The costs have steadily risen to an average of \$3.86 million per breach in 2018. This report will help organizations looking for benchmarks for the costs of data breaches, including hidden costs, likelihood, how long it takes to identify and contain a breach, and the impacts of security automation and the use of Internet of Things. It also explores the factors of cost and offers a range of key findings. For the first time, it includes the cost of the “mega breach”. This report has become a respected industry standard and it will be useful for CISOs, CIOs, business executives, and boards interested in understanding this complex issue.

AUGUST 2018

“Innovative Start-ups are Shaping the Future of Procurement” – Oliver Wyman

[VIEW PDF \(05 PAGES\)](#)

Here is a quotation from the article that sums it all up:

‘In the course of our study, one CPO of a worldwide technology company summarized the change that needs to take place. “Buyers must understand that they cannot work in the same way as they have in the past,” he told us. “Leading corporations now focus their attention on digital leadership and prototyping as a way of instilling a start-up culture within their organization. Procurement leaders must therefore constantly try out new ideas over a very short space of time, then accept any failures and learn from them.’

This is an excellent scan of what is happening in the digitization of procurement. Anybody who has even a passing interest in procurement, strategic sourcing, or purchasing should at least scan this article to become aware of the changes underway in this often staid space.

While there are no earth-shattering strategic frameworks, just the scan of all the startups will open the eyes of the practitioners to new ideas, new ways of doing old things, and new possibilities.

While reading the article, do not worry too much about the investments and funding. Try and understand the underlying value proposition of each startup – and how you could apply, or replicate it, in your space. Something innovative is bound to emerge if you do this diligently. Highly recommended.



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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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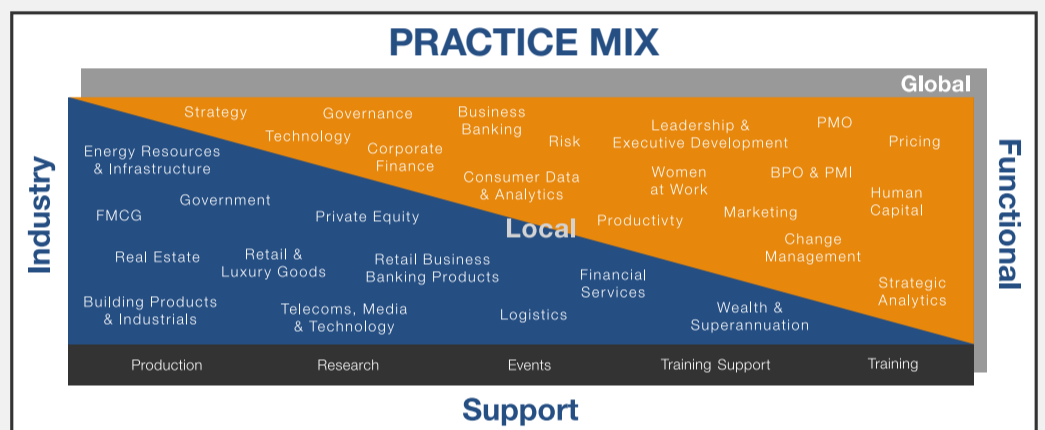
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Source: <http://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/#.lq0izjZzBr>; Adapted by ICG

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