

## Industry Disruptors – Strategy or Tactics

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The finance and insurance industries, once characterized by traditional practices and established players, are now witnessing unprecedented disruption fueled by a myriad of factors and diverse players. Technological advancements, shifting consumer preferences, regulatory changes, and the emergence of innovative startups are just some of the forces reshaping these sectors.

Strategists often find themselves grappling with the dilemma of developing robust long-term strategies in an environment where change is the only constant. What may seem like a sound strategy today can quickly become obsolete as disruptive forces reshape the industry.

Moreover, the resources required to keep pace with digital transformation can be prohibitive, especially for traditional institutions with legacy systems and processes. Investing in new technologies, talent, and infrastructure comes with significant costs and risks, further complicating strategic decision-making.

Adding to the complexity is the ever-evolving nature of consumer behavior. Today's consumers are more informed, demanding, and digitally savvy than ever before. Their preferences and expectations can change rapidly, making it challenging for strategists to anticipate and respond effectively.

In this dynamic landscape, strategies developed today may indeed lose their relevance within a matter of months, rendering them ineffective or obsolete before they can be fully implemented. This underscores the need for agility, flexibility, and continuous adaptation in strategic planning processes.

### What's the solution then?

Strategists also get puzzled by the pace of the digital transformation and changing consumer behavior which is not only demanding but also cost prohibitive. A strategy developed today becomes stale in a few months as there is a new disruptor in the market. Before tactics are even applied, strategy loses its value. **What to do?**

**AEACGi has advised many clients on how to make a strategy of strategy (SoS) and beat the market expectations.**

Strategists first must adopt a mindset of constant learning and experimentation, embracing uncertainty and embracing change as inherent features of the digital age.

Partner with Fintech Startups. May sound like joining the rivalry. It has its own advantage. Fintech startups leverage technology to offer innovative financial products and services, in areas such as payments, lending, wealth management, and insurance, introducing digital solutions that are often more efficient, user-friendly, and cost-effective.

Leverage Big Tech giants like Google, Amazon, Apple, and Facebook for their vast user bases, advanced technology capabilities, and data analytics expertise pose a threat to traditional incumbents.

Break from the mindset of resisting Blockchain and Cryptocurrencies. Blockchain technology and cryptocurrencies like Bitcoin have the potential to disrupt various aspects of finance, including payments, remittances, capital markets, and insurance. Capitalize the opportunity of this disruptive change as new generation wants secure, decentralized transactions, reducing the need for intermediaries and potentially lowering costs and enhancing transparency.

Best way to tackle the fear is to face it. Embrace Artificial Intelligence and Data Analytics. AI and data analytics can transform how financial institutions operate, analyze vast amounts of data to improve decision-making, personalize customer experiences, detect fraud, assess credit risk, and automate processes such as underwriting and claims processing.

Outsource! Hire organization that specializes in the Regulatory Changes and Compliance Technology. It prevents from reinventing the wheel and help organizations to transfer the risk to other organizations enabling the industry to focus on their core operations. Regulatory changes, such as Open Banking initiatives and GDPR (General Data Protection Regulation), are reshaping the financial landscape and creating opportunities for new entrants.

Enter the space even if it means cannibalizing your offerings. Best example is Peer-to-Peer Lending Platforms, a platform that connect borrowers directly with investors, bypassing traditional banks. These platforms offer competitive interest rates, streamlined loan approval processes, and alternative credit scoring methods, appealing to individuals and small businesses underserved by traditional lenders.

In embracing these transformative strategies, financial institutions can navigate the ever-changing landscape of the digital age with confidence, resilience, and a forward-thinking mindset.

# How can we help in formulating the right strategy?