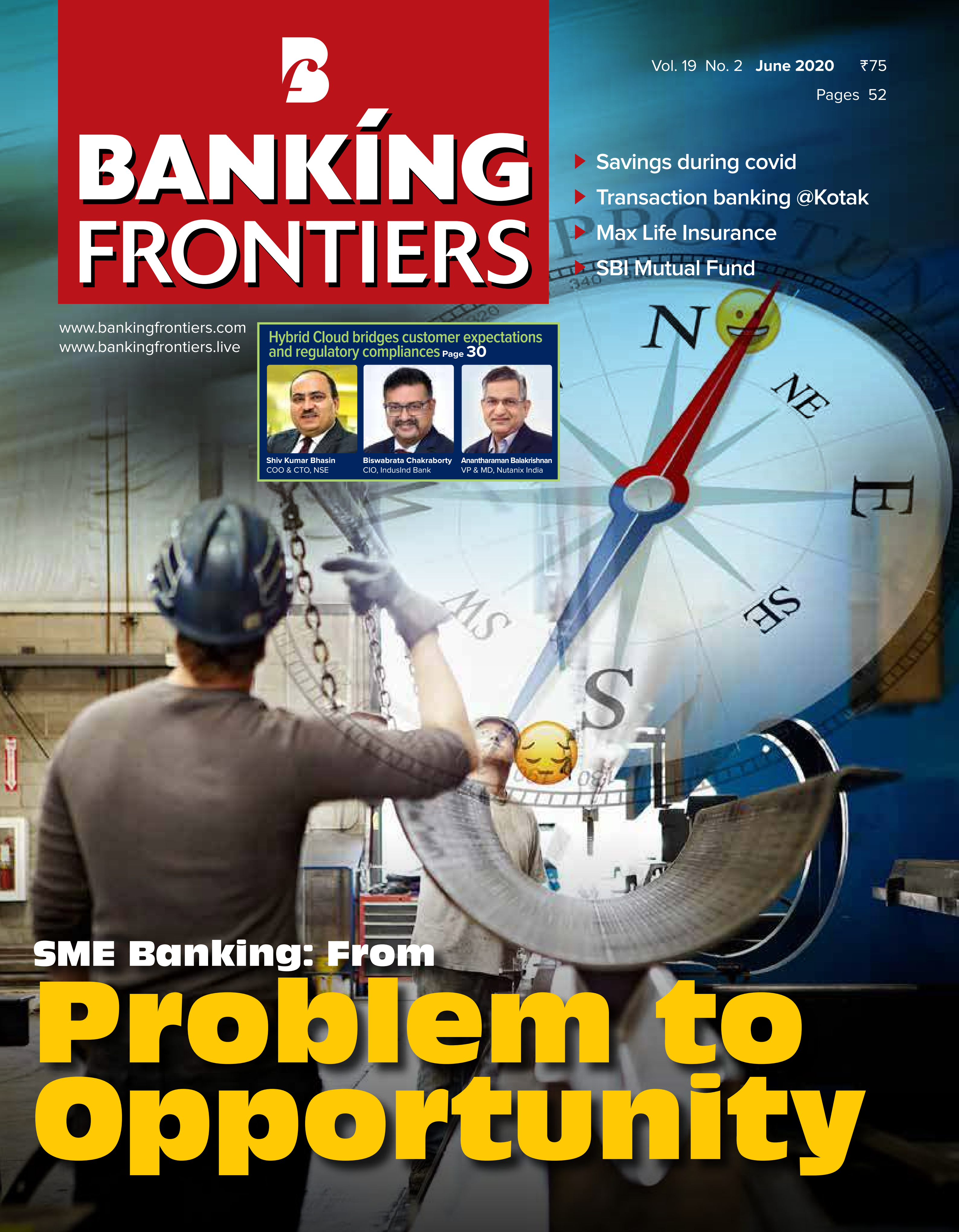

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- Transaction banking @Kotak
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- SBI Mutual Fund

Hybrid Cloud bridges customer expectations and regulatory compliances Page 30

Shiv Kumar Bhasin COO & CTO, NSE
Biswabrata Chakraborty CIO, IndusInd Bank
Anantharaman Balakrishnan VP & MD, Nutanix India

SME Banking: From Problem to Opportunity

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present

Machine Learning Based Predictive Analytics for

Fraud Analytics

Program Faculty

ATUL TRIPATHI ◆ Data Scientist ◆ Ex-National Security Council Secretariat (Prime Minister's Office) ◆ Adv IISER Mohali ◆ Author & Speaker ◆ Member of Leaders Excellence at Harvard Square

What You Will Learn – Operating Perspectives

- Fraud & Money laundering and its stages
- Key components of the current fraud & anti-money laundering regime
- Why does financial crime detection apply to risk professionals and how to comply
- Key systems and controls needed to prevent financial crimes
- Reporting of suspicious transactions
- Offences and penalties
- Regulatory requirements regarding customer identification and due diligence
- Machine Learning based analytical approach to fraud management, detection
- Fraud analytics using descriptive, predictive, machine learning techniques
- Analytical modelling exercise to build predictive models for fraud detection
- Estimating and validating credit scores using statistical models
- Hands on for fraud management, detection

What You Will Learn – High Level Perspectives

◆ State of Cyber Threats ◆ Fighting with Intelligent Tools and Techniques ◆ Data Analytics in the Prevention, Detection & Investigation of Financial Crime ◆ Application of Machine Learning / Analytics for Anti-Financial Crime and AML

Who Will Benefit?

◆ Chief Financial Officers ◆ Chief Compliance Officers ◆ Chief Operating Officers ◆ Chief Interns - Audit ◆ Presidents ◆ Vice Presidents ◆ Directors ◆ Senior Executives Working on AML, Financial Crime/Fraud ◆ Teams Managing Third Party Payment Processes and Sanctions

Why AI & ML along with Fraud Analytics, why not just AI & ML?

AI is a field of computer science focused on the development of computers to carry out activities typically executed by humans, specifically activities requiring humans to take decisions and rely on their intelligence. Fraud analytics brings in the context which makes the study more practical and more interesting, which makes it faster to absorb.

Course Outline

1. Financial Crimes Threat Assessment

◆ Defining Fraud - AML, TBML & Sanctions ◆ State of Cyber Threats ◆ The Current State of Play ◆ Emerging Risks to Privacy ◆ Fighting with Intelligent Tools

2. Artificial Intelligence & Fraud Analytics

◆ Data Analytics in the Prevention, Detection & Investigation of Financial Crime ◆ Using Machine Learning / Analytics for Anti-Financial Crime and AML ◆ Time Series and Statistical Analysis for Fraud Detection ◆ Predictive Analytics for Fraud Detection

3. Live Simulation / Case Study

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SP Jain School of Global Management is the Academic Partner for this Masterclass.

All attendees who successfully complete the course will receive a certificate from SP Jain and Banking Frontiers.

BANKING FRONTIERS

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Shaken or Stirred

With regards to the corona virus, there are plenty of discussions happening at various levels - the level of individual, family, company, city, country and even global level. However, I see very little discussion at the mankind level. Mankind has been conquering thing after thing ever since the mastery over fire, wheel, language, etc. Mankind has progressed through agriculture and industry and electricity and computers and aeroplanes and rockets and medicines and atomic energy and what not. Now, for the first time, there seems to be a setback and an uncertainty whether our progress will continue as before or not. The coronavirus has literally stopped us in our tracks.

So, I raise a fundamental question: **At the mankind level, are we shaken or are we stirred?** Shaken implies that the coronavirus has eroded our confidence....we have a problem and are not sure how to overcome it. We are disturbed and have to slow down to find our bearings. Stirred implies just the opposite – we see the problem as an opportunity to progress further, perhaps in a different direction, perhaps at a faster pace.

A vast majority of the population seems to be shaken. This segment comprises mostly people who have lost their jobs, or their income has reduced considerably. Some may have fallen below the poverty line. They may be least concerned about progress of mankind such as when electric cars will become mainstream, when Apple will launch its new iPhone, when Bullet Train will start running in India and when mankind will step on planet Mars. The shaken population is worried about self, not about mankind. It is concerned about the present and immediate future, not about the years ahead.

However, there are some people who are not shaken, rather they are stirred. They are starting new businesses, they are creating new business models, they see great opportunities for themselves, and also for mankind as a whole. They have the positive spirit inside.

These are the people who will lead us into the future. They are the ones stirring up those shaken by the virus. The faster mankind shifts from shaken to stirred, the faster we will overcome this catastrophe.

Arjun was shaken on the battlefield of Kurukshetra when he saw who his opponents were, but Lord Krishna stirred him into battle on the foundation of dharma. Likewise, let each of us do our dharma and stir up the shaken people around us and create a brighter future.

RBI sets up fund to improve digital payments systems

The Reserve Bank of India has set up a Payment Infrastructure Development Fund (PIFD) with ₹5 billion corpus to improve and support the development of the digital payments ecosystem in the northeast and rural districts in India. The initial contribution of ₹2.5 billion to the fund has been made by the central bank while the other half of the fund is expected to be contributed by all card-issuing banks and the network operators. The fund will be governed through an advisory council and it will be administered and managed by the RBI. PIFD will have the objective of encouraging acquirers to deploy PoS infrastructure in both the digital and physical modes in tier-3 to tier-6 centers and northeastern states.

MAS says Veritas initiative to start work

The Monetary Authority of Singapore said the first phase of the Veritas initiative will commence with the development of fairness metrics in credit risk scoring and customer marketing. Veritas is a part of Singapore's National AI Strategy and aims to provide financial institutions with a verifiable way to incorporate the FEAT (Fairness, Ethics, Accountability and Transparency) principles into their Artificial Intelligence and Data Analytics (AIDA) solutions. The metrics will help financial institutions validate the fairness of their AIDA solutions in the two use cases. More use cases will be identified in subsequent phases of the initiative. Sopnendu Mohanty, chief fintech officer, MAS, said the responsible use of AI is a prerequisite for the greater adoption of AI in the financial sector. Veritas is the first industry-wide collaboration to provide a mathematical way to validate AIDA solutions against the principles of Fairness, Ethics, Accountability and Transparency. Two core teams within the Veritas consortium will be taking on the development of the fairness metrics. UOB and Element AI will develop the metrics on credit risk scoring, whereas HSBC, IAG Firemark Labs and Gradient Institute will develop the metrics on customer marketing.

Bangladesh Bank files fresh case in 2016 heist

Bangladesh Bank has filed a fresh civil case against 17 Philippines entities, including the Rizal Commercial Banking Corporation (RCBC) to recover the $81 million it had lost in a cyber theft involving fund transfer in 2016. The bank has now filed a new case after Southern District Court of New York in March had dismissed the previous case and gave the order to run the case with the state court. The central bank said it had in March instructed its lawyer in New York to file a fresh case with the state court. But the court was then taking only very important cases due to the corona-related shutdown in the city. It also added that before the new case, it had filed a case against RCBC and some individuals on charges of theft, fraud, dollar conversion, cyber hacking and conspiracy. But the US court did not agree with it on a charge of conspiracy. As a result, the court dismissed conspiracy charges. Besides, RCBC, the other entities against whom the new cases have been filed include Bloomberry Resorts and Hotels, a subsidiary of Bloomberry Resorts Corporation, which is the owning company of Solaire Resort and Casino in Manila, one of the entities through which the funds were transferred.

Brazil may implement open banking by Nov

The Central Bank of Brazil has announced definitive regulations to introduce open banking in the country, which is now slated to happen by 30 November. The central bank describes the proposed regulations as 'the sharing of data, products, and services by financial institutions and other licensed institutions, at consumers' discretion, as far as their own data is concerned, through the opening and integration of platforms and information systems infrastructures, in a safe, agile and convenient manner.' Not only will open banking regulate the sharing of operational data between financial institutions, but also the sharing of consumer information - upon their consent - to endow the Central Bank's new comparison platform with more accurate data.

Bank of Ghana to set up sandbox

Bank of Ghana is working to set up a sandbox to encourage innovation in the market and to test concepts like Central Bank Digital Currency. The first deputy governor of the central bank Dr Maxwell Opoku-Afari said Ghana's economy has undergone phenomenal transformation over the past decade and this has led to the growing adoption of digital technology. He said the central bank, through the Ghana Interbank Payment and Settlement Systems (GhIPSS), has seen to the implementation of a portfolio of modern and robust interbank payments systems, including e-Zwich, GIP, ACH, GH-Link, and Mobile Money Interoperability and the establishment of the foundation for nationwide digital delivery of financial services.

Moderation in savings, increase in digital account opening

Falling interest rates and increasing desire to save are creating a flurry of trends in different segments:

There were major changes in the saving patterns of the bank customers in the last 3 years in view of increasing consumerism. Now covid has influenced this behavior.

Paul Thomas, MD and CEO of ESAF Small Finance Bank, believes that consumerism has been peaking in the last few years, despite some setbacks like demonetization and the Kerala floods. As a result, savings habit has been a bit sluggish, especially following the growth in capital market and consumer loans. "But the current developments", says he, "may instill the savings habit back in consumers for some time, as the need of emergency funds is pretty evident now."

Paul Thomas is aiming to educate his customers to form digital habits

Jayeshbhai Radadiya, chairman, Shri Rajkot District Cooperative Ban, echoes similar view. He says on analyzing the deposit data of the last 3 years, saving patterns among the bank's customers seem to have changed. "Customers are keeping their savings in term deposits to earn better interest," he says.

Virat Diwanji, group president – Retail Liabilities & Branch Banking at Kotak Mahindra Bank, has some interesting facts: "In FY 2019-20, as many as 4.4 million Kotak 811 accounts were opened and these accounts continue to be opened in April and May 2020 during the lockdown. In May alone some 14,000 accounts were opened per day. And out savings deposits have crossed the ₹1 trillion mark as of 31 March 2020. In Q4FY2019-20, the share of recurring deposits sourced digitally was 93% and that of term deposits 80%."

Between FY2014 and FY2019, there has been a 2 percentage point decline in household savings. According to Prithviraj Srinivas, chief economist at Axis Capital, this is a consumerism phase and during this period while nominal disposable income growth has slowed but in real terms (net of CPI inflation), disposable income growth has actually picked up speed. "This should have ideally supported savings rate to either remain constant or improve. However, due to drastic decline in return from savings and investments, we have seen a shift up in the propensity to consume, and hence the fall in savings rate," he explains.

Gold still safe bet

Gold as an investment has flourished in view of the unstable market conditions. Paul Thomas, MD and CEO of ESAF Small Finance Bank, believes that in a stable market people may tend to move towards equity investment. "Gold still has its potential as many prefer it because it is safe and less volatile. Majority of our customers are not showing much inclination towards mutual funds and insurance."

The gold loan is most safe and attractive loan portfolio of Rajkot District Cooperative Bank. Because of the impact of covid and with less purchasing power across the customer segments, Jayeshbhai Radadiya believes that gold loan portfolio will gradually increase in the next 1-3 years, compared to other loan portfolios of the bank. Says he: "The total amount of gold loans has shot up from ₹1.88 billion in 2017-18 to ₹2.41 billion in 2019-20 and even in the current financial year gold loans of ₹102.8 million have already been added upto 27 May 2020. Many people are without hard cash and require liquid cash urgently because of the uncertain period."

INVESTMENT BEHAVIOR

Certain customer segments are shifting savings from traditional products like FDs, small savings schemes and NSCs to investing in equities, corporate FDs, IPOs, NCDs and commodities, while some segments are appearing to be going in the reverse direction. Paul Thomas maintaints that being a bank that mainly caters to the people at the bottom of the pyramid, ESAF Small Finance Bank often comes across such behavioral shifts. “But, as we aspire to be a bank for all, we are focusing on other segments also, especially for liability and other banking products. I believe the shift to capital market is mostly shown by people at the B1 segment who are ambitious and are striving to reach the next level.”

Prithviraj Srinivas points out that average real returns from real estate, gold and equity have fallen relative to the boom period (2005 to 2009). Only bank deposits have been able to provide positive returns which it could not during the boom phase or the stimulus phase (2010 to 2014), he adds.

He elaborates: “First, low returns and weak affordability led to fall in savings in physical form during the consumerism phase and there is rising preference for financial assets. Second, due to the fall in cost of money led by higher liquidity in the formal financial system (especially after demonetization), we’ve seen a sharp rise in household leverage to 4.3% of Gross National Disposable Income (GNDI) in FY18.”

DURABLES CONSUMPTION

He adds that FY19 numbers are not known yet but it should invariably be the current cycle peak. Therefore, due to higher leveraged consumption, net financial savings of households did not naturally rise. Put simply, over the last few years, households as an aggregate, have been consuming more durables rather than saving/investing in a house, he argues.

Jayeshbhai Radadiya reveals that more and more customers of Rajkot District Cooperative Bank are asking for mobile banking facilities

Jayeshbhai Radadiya says customers who have knowledge of trading in the financial market have shifted from traditional investment modes to IPO/NCD and mutual funds. Says he: “Our bank has 70-80% of business from the rural area; hence, I feel such transition is minimal, such movement is negligible. But customers from urban, city areas are eager to earn more income from such activities.

RURAL VS URBAN SAVINGS

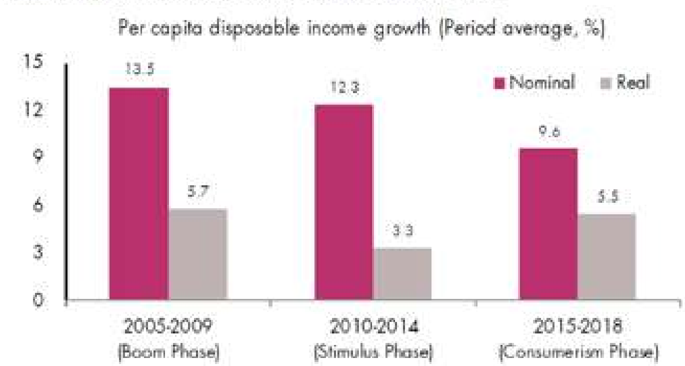
Consumerism has affected the rural savings habit as well in the pre-covid period. Paul Thomas explains that as a bank that is assigned to bridge the financial inclusion gap, ESAF Small Finance Bank has already launched products like recurring deposits to support the rural savings habits. “He feels the impact of covid may trigger a rise in sales of products like RD, when things are back to normal.

Sree Rajkot District Cooperative Bank has a mixed trend as far as deposits are concerned. Jayeshbhai Radadiya states that as on 31 March 2020, the total deposits are ₹53.98 billion of which 57.84% consists of low-cost deposits and deposits covered under insurance as per RBI guideline. In urban areas the preference is more for term deposits and he expects this trend to continue for the next 1-2 years.

The bank has 70-80% business from rural areas and rural areas depend on agricultural and agri related activities. “As far as bank customers across the various segments are concerned, we believe that since monsoon was very good last year, deposits from rural areas will increase and deposits from urban area will decrease,” says Jayeshbhai Radadiya.

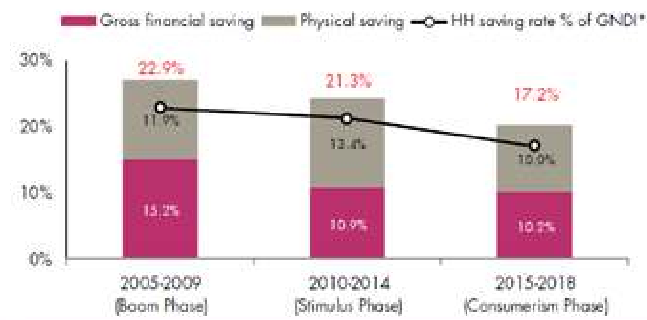
Prithviraj Srinivas does not recognize the distinction between rural and urban. He is of the view that since savings behaviour is driven by disposable income, education level, opportunities and aspiration level, there can be further moderation in savings rate driven by

Exhibit 36: Nominal income growth down but real income uptick



Source: CEIC, Average for the period, 2000-2004 = FY01 to FY05 and so on

Exhibit 37: Saving rate has declined despite uptick in real disposable income



Source: CEIC, RBI annual report, Average for the period, 2000-2004 = FY01 to FY05 and so on
Note: *Net HH financial saving rate is net of financial liabilities

Prithviraj Srinivas feels middle income households with stable income streams are likely to turn more conservative and increase their savings

fall in household income, increase in safety nets like MGNREGA and health insurance that lowers precautionary savings, and internet penetration plus e-commerce driving up aspiration levels in the hinterland.

CUSTOMER SEGMENTS

Covid could impact savings of different customer segments - urban & rural, low income, medium income and high income, employees, self-employed, businessmen, young, middle aged and senior citizens and male and female customers. Paul Thomas maintains that the pandemic has impacted all the segments of customers both in urban and rural areas. “I believe that people may come back to old savings habit at least for some time. They are likely to prefer less volatile systems like banks for safety reasons. The high-income group may also be more conscious on curtailing costs. Banks and other financial institutions should come forward and support small businessmen and employees with loans that allow long term repayment schemes. We have already launched a small ticket covid loan scheme with a moratorium period of 4 months.”

Rajkot District Cooperative Bank is planning to introduce various deposit products in the hope that these products will attract female customers of the bank in the rural areas.

DIGITAL ROUTE

Kotak Mahindra Bank is focused on the digital route for customer acquisition. It has extended its 811 account to all customer segments - corporates, salary accounts, etc. Virat Diwanji says the bank has recently introduced video KYC facility to open 811 savings accounts, a first in the Indian banking industry. “This is in line with our digital-first strategy and is a start-to-end fully integrated, zero-contact, completely digital and paperless account opening + full KYC journey. Customers can, hence, open a full-fledged savings account conveniently from the comfort of their home or workplace. Our focus continues to be on building digital journeys across products and services,” says he.

Virat Diwanji sees a rapid increase in new accounts, term deposits and recurring deposits at Kotak 811

Prithviraj Srinivas expects a fall in savings in rural areas compared to urban India because of the structural decline in realization from agriculture and disruption in the remittance economy. Says he: “Low income households will likely be hit hardest due to fall in disposable income. Many households would turn from double income to single income households in FY2021, which reduces their collective savings rate. These households form the bulk of our economy and hence I expect household savings to fall in FY2021 like it has during previous recession. Middle income households with stable income streams are likely to turn more conservative and increase their savings in the light of weaker returns.”

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Kotak Bank leverages the positive aspect of covid

Shekhar Bhandari, president - Global Transaction Banking at Kotak Mahindra Bank, discusses the post-covid impact and the emerging opportunities in transaction banking:

Ravi Lalwani: What is the impact of lockdown on the existing transaction banking business? How have you responded?

Shekhar Bhandari: Covid created an initial shock across all major industries and segments and brought them to a near standstill. The immediate impact was a significant drop in volumes and transactions across all the sectors and banking products; in some cases it had impacted 80-90% of the businesses. The impact was also on the internal and external processes mainly related to sending, receiving and signing of documents.

However, on the positive side, as the businesses began to come to terms with it, there was a seismic shift towards digitization across both products and processes. Many customers, who did not move to digitization for 5-6 years, moved in under 20 days. Hence, technology became the biggest beneficiary from this crisis while also being the biggest enabler for business continuity. A classic example is the movement of all meetings and conferences to online conferencing tools, which ensured that the business interactions could continue while also resulting in significant revenue growth for their providers.

Which are the new emerging opportunities for transaction banking in India?

Digital and non-touch transactions are expected to increase significantly due to the crisis, as it ensures the user's safety and adheres to the social distancing norms. Some of the examples include UPI and contactless payments. In a longer term, this has provided an opportunity for a seamless and 100% digitized customer journey across banking services, cash and trade products – starting from the intent to purchase to the actual payment and delivery of products and services.

Can you share some case studies on how Kotak Mahindra Bank's transaction banking service has helped its clients?

We have introduced services like paperless trade transactions, paperless banking transactions and video KYC for our transaction banking customers.

Paperless trade transactions: Since the clients were facing challenges in submitting executed copies of documents to the bank due to the lockdown, we launched a paperless digital offering for our trade customers, wherein once registering themselves on the eMudhra website, the customer can start uploading the documents and share with the bank's designated corporate service managers.

Shekhar Bhandari

Paperless banking transaction: In this process, after receiving the details of the reviewer, signatory and the individuals who would be making the stamp duty payment, the bank initiates the request through the sign desk platform to the customer. Once the document is reviewed and the stamp duty payment is made, the signatory can then sign the document using their digital signature certificate (DSC), Aadhaar based signature and legally acceptable digital signature mode.

Video KYC: Transformational product of Kotak bank '811' moved a step further in acquiring customers digitally. Video KYC enables the customers to open an 811 bank account instantly wherein, after entering their details, they can get on a video call with the bank executive to complete their KYC process, thus removing the requirement to visit a branch to complete the KYC.

What about collaboration with fintechs to empower your business?

We have collaborated with several fintechs to provide superior working capital solutions. Popular among them are dynamic discounting to the anchor companies with vendor onboarding support, dealer financing, platform integration with vendor and OEM, plug and play with the bank for discounting, giving platform for providing acceptance on the invoices, bills raised by the vendors on the OEMs, accepted invoices can be discounted by the bank through plug & play with the platform.

What is new in risk and compliance for transaction banking in the last couple of years?

Return of capital is critical and more important than return on capital. The bank continued with this philosophy on risk. The bank embraces technology to increase the risk surveillance to prevent any frauds or malpractices, especially during covid period. Risk management can be automated, but one of the things about data is that you make assumptions for the future based on the past. Those assumptions may or may not be correct. Common sense remains supreme risk management in addition to AI, robotics and analytics in this technological world.

What are the key factors that will impact the shape and size of transaction banking business this year?

In a fast-changing digital world, business will become more efficient and effective through the combination of digital and physical presence. Digital is a massive game changer in banking. Banks are increasingly becoming technology-oriented companies. Transaction banking needs to focus on in-depth understanding of client requirements and ability to deliver tailored solutions. Driven by innovation and leveraged on robust technology and specialized product solutions, transaction banking is the future.

Economy will recover post covid and digitization levels would be all time high. The new processes incorporated during this period will continue. Some of the practices that will be shifted towards digitization will be in terms of payments, processes and even interactions.

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Platforms of the Future

At Technoviti 2020, CIOs and CTOs share their perspectives on selecting and leveraging a variety of platforms that suit their respective organizations:

Panelists exchanging notes

Low code platforms accelerate new product engineering

Shashank Sathe, Senior Vice President- IT, Edelweiss Financial Services:

Edelweiss Financial Services has an 8-12 year-old legacy system. We have challenges like reducing the technology spends and adopting new frameworks. Our approach is to go for open stack, full stack and application development, which have near zero cost of ownership. We have chosen this as a roadmap, and we are working on it. Additionally, we are moving on to low code platforms. We are trying not only to have the infra and networking elements, but also to adopt low code engineering platforms, which allow significant amount of efforts from an engineering perspective. From my experience, it saves 70% of coding/engineering time and effort while building a product.

We are currently halfway through our digital transformation; our infrastructure runs on the data centers and we are making efforts to move as many of these into a survivalist framework. Our systems are 30% on cloud, 50-60% on AI & analytics, and we are using RPA technology in 35-40% of our operations. We have adopted infrastructure and cloud as a core model, and we are getting benefits as it adds phenomenal amount of savings in our operations. We have already started adopting serverless computing.

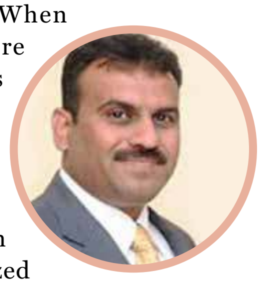
We have tried to automate the entire documentation supply chain management system. We have also started overhauling our document management system, which was based on our legacy setup. We have started moving onto an in-house developed solution which is a huge cost saving for us. In most of our engineering projects, we have front-end development, middleware, back-end analytics and MIS delivery. We have applied multiple models in the alternative fashion to gain inside out, which leads us to the data lake related activity. We have approached this problem in a dual-purpose mode. Relational data is something that is analyzed and used by our business teams for gaining business intelligence about the customer. Unstructured and non-relational data helps to enhance and better our products.

We have an entire mechanism which works as a micro service module with user status, user elements and user journey mapping. It helps in micro-level visibility in terms of how the product is functioning and how the user is behaving. And all these add in creating the user persona-based algorithm. We are making extremely limited use of blockchain technology; we have implemented it in our distributor ledger system for doing financial transactions.

Extrapolate the data while testingto avoid platform failure

A Shiju Rawther, Executive Vice President - Technology, IIFL Finance:

Technology is the complete enabler for the business. When we talk about future technologies in terms of finance companies and NBFCs, the complete paradigm will change. Today, we are working on a complete virtualized setup, where consumer will not have to come to the branch, they will get everything on their mobile or doorstep. The peer-to-peer lending platforms are changing and these are purely platform-based transactions with no branches.



Most of the organizations are using

readymade platforms because the days are gone when everything used to be set up in-house and then used to deliver to the customers. The speed of the market is changing today and delivering first is the base of the demand. Analytics is the key element for any financial service provider to decide who will be his customers in nano seconds. In the next couple of years, we will see banks and NBFCs moving towards online transactions and even the lending business will become online.

We will see numerous transformations and when transformation matures, it becomes a commodity. We have started getting lot of amenities, but unless we choose those platforms, we will not be able to deliver to the customers. There is a demand from the customers side, based on which we adopt platforms. For example, the cloud brings lots of cognitive services, analytics platforms and security services, which are very costly to implement inhouse. So, there is no excuse for any organizations for not adopting the cloud. We are 75% on the cloud, and 100% on analytics platform.

Customers want fast and superior experience. Unless you come up with innovative solution to the customer, they will not come to you. No organization can ignore RPA technology. We have 30,000 employees in our organization and for all the screening and salary processing, HR needs to have RPA. So, unless you have automation, you won't be able to do things faster. There is no way we can avoid any of the emergingtechnologies, and the technologies will keep evolving. After few years, RPA will become a commodity.

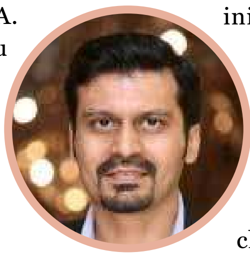
Testing the platform is important which has been emphasized in most of the organizations, because no one wants to fail after going live. Failure is a setback for the organization and the customer will never come back to such an organization. There is more emphasis on the investments and there are many fintechs which provide testing through automated processes - it goes from various testing phases from load testing to functional testing to security testing.

A view of the attentive audience

There are number of processes involved in the complete lifecycle development. Before going live, companies should extrapolate the data and with all those testing companies to avoid failure when their platform is live.

Choosing platforms that maximize CX

Tejas Shah, Head- IT Infrastructure, Axis Finance:



Platform is a very broad term; we have started our journey initially with customer experience. Firstly, we have adopted the cloud platform and now we are focusing on RPA. AI bots will provide the omni-channel experience to our customers. AI and ML help to predicts customer requirements. There are many things coming and we need to take one step at a time. Blockchain technology is currently not applicable to us, we are using other technologies like cloud, AI and ML. Further we are focusing on chatbot and WhatsApp for a customer-centric response. We are 10% on the cloud and around 35-40% on analytics and other platforms.

App is the future platform

Prakash Bhatia, Head IT, Muthoot Housing Finance Company:

Muthoot Finance has 14 diversified business units like MSME, microfinance, 2-wheeler loans, consumer durables loans, gold loans, housing finance and many others. We are into the transformation mode; our legacy systems are running since the last 15-20 years. The younger generation of the Muthoot team wants to transform themselves into the digital age and we are not targeting the niche market segments; we are basically targeting the lower income and middle-income groups. Business is run by the people and they run the show, IT is just a driver for the business. The future generation of the technology is into apps and customers should understand on how to make use of the app. Our applications are 100% on cloud platform. Also, our usage of analytics is 70%, AI is 85% and RPA is 85%. Muthoot has adopted the cloud technology, considering the infrastructure required for the future generation.

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Data privacy & risk initiatives to improve CX

Experts from leading finance companies share their views on data privacy, risks and initiatives to improve customer experience at Finnoviti 2020. Edited excerpts. Part 2:

As much as 64% of customers felt worried about companies using their data for data analytics, a recent study on data privacy concerns showed. And 74% of the customers said they are paranoid about their personal information being sold to third parties and 64% said if they can trust the company then they will share their information.

In these times when customer data is available at dead cheap rates, not all data available may be relevant data. Another aspect in data science is that do analytics for decision support, personal information may not be necessary. Hence data experts aver just collecting data does not make an organization competitive in the market. Besides, the most relevant aspect is the objective of the business for which the data is being collected. Governance and risk practices around data are extremely important for enterprises.

Participating in the discussion on 'Data Privacy and Risk Initiatives to Improve CX', Dharmender Narang, chief customer experience officer at IIFL Securities, said his organization looked at customers in a 360-degree view. "We know their transactions, investment, etc. Therefore, more responsibility is upon us to ensure that the data is secure. We must be more paranoid and careful than the customer. If our relationship manager is handling one customer, he will not be able to access data of that customer when he is not servicing that customer. To that extent, data is very restricted and we as a company take ownership. Our customers can trust us," says he.

Panelists exchanging notes

POSSIBLE MISUSE

Anand Bhatia, CMO at Fino Payments Bank stressed that it is important to protect a person's data and identity because of the misuse that is possible. "For example," he said, "a chaiwala selling tea in ä village in Durbhanga, Bihar, can become a victim of scams. It is therefore, most critical to protect the identity of the customers. If the customer really believes that his bank or service provider is doing everything to keep the information safe, then he is fine. Privacy and maintaining it is a complicated matter. It is a good thing that the regulator is digitally paranoid."

Customers are sensitive about how companies make use of their data. While there are essential handshakes with third party systems like SMS gateways, email service providers, etc lot of them are on cloud today and it is important to ensure that companies use the best of technology to secure this information transmitted to their partners. Devendra Sharnagat, senior vice president - Analytics & Customer Engagement at Kotak Mahindra Bank, explained the technology usage to protect customer information: "Customer demands an alert from the bank if a financial transaction occurs in the account, but at the same time customer is expecting that the bank is using an appropriate technology to safeguard the sensitive data flowing through the system by adopting best of technologies like secured protocols and encryption."

Poonam Vijay Thakkar, head, Analytics & Digital Communications at Aditya Birla Capital, felt that customers have evolved today and they do not think before sharing crucial information like credit card details because they have trust in the bank that it will inform them in case of any data breach.

RM CHALLENGES

Cost-efficiency and effective risk management are important considerations for the life insurance companies as they deal with so many proposals and clients. It is very crucial to underwrite and understand the risk that the companies are taking and that is where data and analytics play a big role in their business. Rakesh Wadhwa, chief customer & marketing officer and head of Products at Future Generali India Life Insurance, said over a period, his company is able to risk-profile the customers and give a score, and the underwriting team is able to find out the green channel customers. "There are certain customers who need more investigation. This approach has helped our P&L significantly," he added.


A view of the attentive audience

Dharmender Narang makes the point that the biggest challenge for the company is to create trust among the customers. "We should take care of them and build trust among them. The analytical model helped us in fraud cases. We have identified 25 scenarios where there could be a possibility of the transactions that are not expected to be," he said.

IIFL Securities has a large team of sales and relationship managers and they have developed a model based on 25 scenarios. This helps the company to arrive at a risk number for every customer. This model is completely automated. It is done on an everyday basis to monitor day to day trading activity of the customers to ensure safety and build trust.

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CX & the way ahead

Fino Payments Bank is a phygital bank. It acquires customers physically and then migrate them onto its digital platforms. The bank focuses on driving financial inclusion and this would require an efficient mechanism to solve problems of access to the system. The bank has made the process simple, so the customer can access his or her money from wherever they want.

Anand Bhatia, CMO, Fino Payments Bank, shared the details about the merchant points: "Today, we have 160,000 merchant points to provide basic banking services to our customers, who are essentially from the lower strata of the society. The merchant points are also helpful when someone needs cash on the highway, where there may not be an ATM. The merchant point functions as an ATM and helps people to access cash.

"Our sales team and merchants tell the rural customers that their savings, which are normally kept under their mattresses, should be entrusted to the bank and they can have access to these funds as the merchant point is just 200 meters away and their money is safe too," he said.

In the case of an insurance company, the total revenue that it expects to earn from a customer over his or her lifespan is the driving force. It is therefore relevant that they provide a seamless, frictionless and intuitive experience to the customers, who have very modest requirements from a life insurance company. Rakesh Wadhwa of Future Generali India Life Insurance Co said the velocity of transactions in the insurance business is not so high. "When our seller or distributor goes out to meet the customer, he/she should be fully equipped with information about the customer. We have launched 'Bolt', an easy process for our existing customers. We get data not only from our sources but also from open sources, which helps us get a richer view of the customers. Now our sellers can show a personalized video to the customer based on his/her profile."

Future Generali India Life Insurance has created 2 steps for buying an insurance policy and the customer does not require to provide documents or undergo medicals. The customer may pay premium online and policy is issued within a few hours.

Kotak Mahindra Bank aims at offering simple, instant and effective experiences to its customers. It believes that offering right product or service results in a lasting positive experience. For example, if a bank customer swipes the credit card at a retail outlet, then the customer gets an instant message with an option to convert that transaction into an EMI payment. This offer, delivered within a fraction of a second, impresses the customer and most often the customer would avail the facility. "We extensively use technology and high-end algorithms to produce consistent customer experience across multiple touch points with bank," says Devendra Sharnagat, adding: "Our attempt has always been to ensure that we get the customer identity right at the time of transaction. Priority has always been to establish correct customer identity before we start predicting what the customer wants."

SME Banking: From Problem to Opportunity

SMEs have been badly affected by covid-19 and the impact has cascaded down to banks and NBFCs. Banking Frontiers interviewed 9 BFSI organizations to understand their latest response. The findings are narrated in 6 different parts: (i) Impact on SMEs & Response by Lenders (ii) Analyzing the Impact - Sectors & Geographies (ii) Champion Channels during Lockdown (iv) Innovative Responses by Lenders (v) Getting Serious about Data (vi) Technology assisted interactions imminent.

Impact on SMEs & Response by Lenders

The MSME segment took the hardest hit among all businesses due to covid-19 lockdown. While sales and revenue came to a standstill for many businesses, they are finding it hard to curb expenses, leading to a cash crunch. This has resulted in stretched utilization of credit limits. Growth from fresh business has also been impacted. Challenges in regularization of limits and recovery of repayment of dues have been temporarily offset by the moratorium measures taken by RBI.

SMEs employ around 40% of India's workforce, which is an estimated 80 million people, who are given an opportunity for livelihood and employment via low-skilled jobs. In a way, they form the backbone of the Indian economy. The national lockdown clamped by government from 25 March has brought down the shutters of about 48 million SME units in the country affecting the livelihood of over millions of workers. This has a double impact – on the repayment capacity of the SME units as well as on the workers' income.

IMPACT ON BUSINESS & MORATORIUM

The moratorium for loan repayment introduced by RBI for 3 months initially which was extended for another 3 months has been to some extent a solace to the sector. But the continuous lockdown of the sectors for over 2 months now has posed more challenges to the sector like working capital requirements and labour non-availability since many of the workers had already left for their homes.

Alexander George Muthoot, deputy managing director, The Muthoot Group, says: "We have a broad clientele base that is spread across various sectors. The Covid19 pandemic has certainly impacted some sectors more than others by affecting their liquidity and weakening their repayment capacity. However, since our core business is extending credit on a secured asset i.e. Gold jewellery, the price of which historically has always appreciated and hence, we see less of a challenge from an NPA perspective. We feel it is a great opportunity for us to support more SME's unlock this dead asset. Going forward, the potential for providing liquidity to the MSME sector is immense and we are confident that as we progress, phased easing measures will create a positive impact."

Hardika Shah believes that the economic impact of the pandemic is far greater than anything we will see because it came with a velocity that was unexpected

Fino Payments Bank has 200,000 merchant points providing banking services to the MSMEs. As much as 95% of its MSME customers have their own business. Himanshu Mishra, SVP & senior divisional head (West & Central) at the bank, shared the details about the merchant channels: "Our merchants are mobile shop owners, kirana (grocery) shop owners, pan shop and chai shop owners and they are also providing our banking services. We do not provide loans to the MSMEs, but we provide our transaction services to them through our merchants."

He shared details about the business during lockdown: "In the initial period of the lockdown, 60% of our business got impacted, as our merchants' shops were closed. After the notification from the government about the opening of the merchant outlets, we had recovered 80% of our business in May. Our business increased to 104% in May end as we added new merchants."

The last mile fintech NBFC, Kinara Capital, is focused on the MSME sector, and its customers got impacted with the nationwide lockdown and all their operations were paused. Founder & CEO Hardika Shah said: "The economic impact of the pandemic is far greater than anything we will see because it came with a velocity that was unexpected. Our priority was to safeguard our customers and our employees. We immediately stopped in-person visits and put our 1000+ employees in work-from-home system even before the first lockdown was announced. Certainly, our customers were impacted with the lockdown as this is affecting not only their lives but also the livelihoods of their workers."

When RBI announced the moratorium, Kinara Capital extended the same to its customers even though it was not mandatory for the NBFC to do so and there was no requirement for banks to extend the same provision to NBFCs, which made it tough for them. "Many of our customers did opt for the moratorium but mostly, everyone is more eager to begin resuming their operations," adds Hardika.

ADAPTION TO THE NEW NORMAL

Financial companies will continue to be working under the covid cloud. Social distancing and strict containment measures are the norms for firms. BFSI companies are looking to work with the latest digital tools and make them a part of their customer acquisition journey, which allows them to not only prospect and select SME customers digitally, but also underwrite and onboard them with minimum paperwork and physical contact.

The lockdown and subsequent extension of moratorium to MSMEs across the country has also made companies cautious in selecting its customers and segments with much more intense scrutiny. Navin Saini, business head - Retail, Micro & SME, Arka Fincap, says: “We are looking to reduce our planned opex for the current fiscal and work with much more frugal and efficient workforce that can multitask and be more productive. We would also be embracing new ways of working including work-from-home, rostering of staff and using latest digital collaborative tools such as Google Hangouts to meet and engage with our teams and channel partners.”

Health and safety of the employees have been the topmost priority for the companies. U GRO Capital initiated migration to remote working system before the lockdown was formally announced. The lockdown had impacted loan disbursals of the company. U GRO conducted a customer sentiment survey covering all its customers, to obtain the first-hand customer feedback and work out possible scenarios from a portfolio standpoint.

The biggest challenge for SMEs is the cash flow, and each entity needs a fresh infusion of working capital to restart the operations. Many lenders are planning to prioritize meeting the needs of existing customers for their additional requirements before tapping the demand from new customers.

Subrata Das is utilizing this tough time to make large strategic strides forward on analytics, technology, marketing, distribution and new products

Subrata Das, Head Analytics at U GRO Capital says: “We are utilizing this tough time to make large strategic strides forward on analytics, technology, marketing and distribution strategy. For lending in post-covid times, we have created an evolved underwriting framework considering the past as well as the present, and we are ready to launch a cash flow projection based loan program called Sanjeevani. The Sanjeevani project is backed by GRO score and machine learning model on bank statements and will be implemented on our home-grown advanced ML rule engine.”

SUPPORTING CUSTOMERS DURING LOCKDOWN

Lockdown came as a sudden jolt to the SME sector, which has been reeling under pressure even before covid with most having to close shops, offices, factories, and godowns. The impact has been severe in locations where covid spread is high like Delhi, Maharashtra, Punjab, Karnataka, Tamil Nadu and MP. Some of the MSMEs who could open under essential services or exemptions have been impacted due to the overall supply chain affecting the supplies and delivery of goods. This has resulted in low, delayed, and for some, almost nil collections.

InCred has been catering to MSMEs in various sectors and the repayments and collections are impacted for most of these segments. Saurabh Jhalaria, CEO - SME Business at Incred, shares the customer support strategies: “During this crisis time, InCred has been supporting its customers and has granted moratorium to those requesting it. Approximately 50% of customers have opted for a moratorium on repayments. While things are moving in a very dynamic manner, we expect that the overall business shall take at least 6-12 months to return to normal levels.”

According to a customer survey conducted by Magma, around 60% of its SME clients have resumed businesses, but at the same time they are currently operating at 30% capacity level. Manish Jaiswal, MD & CEO, Magma SME Business, says: “The return of the migrants who had left in the wake of the lockdown will be a challenge once the lockdown is completely withdrawn. Demand too will take some time to pick up. Most of the SMEs have informed us that their revenues are likely to be impacted by around 40-75%. Nonetheless, we are hopeful that given the push by the government of India under the Atmanirbhar Bharat project and the extension of the moratorium will help SMEs.”

Manish Kothari, president & business head, Corporate Banking (Large Corporates, MNC, SME & New Age Companies) at Kotak Mahindra Bank, believes in supporting its existing customers during the lockdown: “For the first time ever, customers are facing nil revenues with fixed costs remaining intact, leading to losses. Cash flow cycles have also got broken, considering that the entire chain is impacted. In such a scenario, customers with high leverage or high fixed costs will find it difficult to run their business. Hence, as a bank, the focus now is to support our existing customers in the best possible manner while managing the risks arising from the lockdown. The obvious impact of that is lack of growth for this business.”

Analyzing the Impact – Sectors & Geographies

Auto, cement, steel, textiles, aviation, contractors, gems & jewelry, hospitality, transport, consumer durables, manufacturing and EOUs are some of the worst impacted sectors during the lockdown. Rathish R, vice president & country head – Business Banking at Federal Bank, identifies travel, tourism, hospitality, discretionary retail, real estate and EOUs among these as the most impacted by the unprecedented shutdown.

According to Kotak Mahindra Bank's Manish Kothari, sectors that involve high ticket purchases, discretionary in nature or need people to move out have been impacted the most.

Sectors that are struggling are the ones impacted by decreased disposable income and lack of movement such as travel and auto-components. In these times, the businesses willing to adapt to the changing circumstances will have the best chance of recovery. Saurabh Jhalaria of InCred comments: "Export-oriented businesses like textile, gems & jewelry, fish & meat as well as process industries like refineries, petrochemicals, aluminium, iron & steel, where production cannot be stopped are expected to remain under stress in the near term. However, a big hurdle in revival of the MSME businesses, which employ large number of labourers, would be availability of labour."

For Fino Payment Bank, lockdown had affected its domestic remittance business, as migrant labour from the industrial belt of the cities like Mumbai, Pune, Delhi, Gurugram, Hyderabad, Chennai and Bangalore have gone back to their native vilalges. Himanshu Mishra says this migration of the labour had affected 75% of our business, although we have recovered 50% of our domestic remittance business in May.

Apart from the obvious impact on sectoral demand, there is an impact on macro-economic factors. Subrata Das believes that there will be micro impact on each entity depending on the nature of their financials and the stage of their evolution. For example, a relatively young company that is yet to reach the desired profitability or a relatively older company which sells a low margin product – in both these cases 3-5 months of inactivity or subdued activity can wipe out profits of the past 1-2 years, he says.

Saurabh Jhalaria is working on identifying new loan eligibility, especially when the business has been virtually zero in the last 2 months

LEAST IMPACTED SECTORS

FMCG (food and sanitization), healthcare, pharmaceuticals, food, agri, paper and chemicals, agro, telecom, FMCG, IT and insurance are the least affected sectors during the lockdown. Manish Kothari points out that sectors that are essential for survival and support work from home are least impacted. For example, food processing, retail, pharma / medical supplies, eCommerce, telecom, agriculture, etc are some of these.

In general, entities that deal with essential goods and services and have been in business for several years will be more resilient to withstand the shock. They will see faster demand revival and will be better placed to bounce back using their cash reserves, cost-cutting initiatives and infusion of new credit. Subrata Das adds that it is heartening to see the several crucial measures initiated by both the RBI and the government around relaxation in asset classification norms, liquidity infusion and credit guarantee. While loss is inevitable, one prepares to convert challenges into opportunity," says he.

Many traders are learning to go digital to better service their localities and have started to offer home delivery services. Hardika Shah shares her views: "For the MSME sector, the ones who can diversify their product offerings will have the best shot at surviving and growing their business. For example, demand for covid prevention products will be here to stay for some time to come."

Sectors which are more dependent on labour would remain under severe pressure even after easing of lockdown. While liquidity problems would be addressed to some extent driven by government measures, many small businesses are wary of taking fresh loans even if they are backed by a government guarantee, as they are not sure how much demand will be there for their products when they resume business activity.

After the recent lifting of lockdown in some states, there is consumption gaining momentum. The pent-up demand for non-FMCG items and durables is visible on online marketplaces such as Amazon and Flipkart.

WHICH REGIONS TO RECOVER FAST?

The most immediate challenge for SMEs remains liquidity for paying salaries, discharging vendor bills and meeting other fixed expenses necessitating emergency funds. Special economic package announced for SMEs to be implemented through banks will take time as the units have to satisfy the funding norms prescribed by the banks.

Alexander George Muthoot says the gold loan NBFCs are the source for immediate and easy funding for the SME sector. These loans can be a bridge finance to restart their operations till the bank finance is released. "Hence, we expect good business opportunity from all the regions across India," says he.

In terms of regions that can expect business recovery, this will depend on the government's guidelines on which ones are coming out of the containment zones and are being marked green. Tier 2 and 3 cities are better poised than larger metros to recover effectively in part due to availability of labourers and lower population density. These regions are coming out of the containment zones faster than typical manufacturing areas in cities like Mumbai.

Subrata Das says: "When it comes to region, it is a dynamically changing the landscape. Bangalore is currently less affected than Mumbai. This scenario could be transient, and we will have to watch out for zone-wise classification on real-time basis and evaluation on a case-by-case basis."

He adds: "In this hour of crisis, our intention is to assign due weightage to customers' previous records of repayment as well as assess the future cash flows and be ready with a solution for customers" added Anuj.

Saurabh Jhalaria expects that the revival would be faster in semi-urban and rural areas and tier 2 and 3 cities would give good business post lifting of the lockdown. Businesses like FMCG (kirana and grocery stores, food, and sanitation), pharmaceuticals, telecom services, IT hardware, security & surveillance that caters to the essential needs or are related to the enabling of digital access and delivery of services would be seeing a rise in demand.

Navin Saini wants to reduce opex and work with a efficient workforce that can multitask. He wants to use the latest digital tools to meet and engage with teams & partners

The rural economy would show more resilience in current markets. Industry sectors like manufacturing, infra, real estate, which deploy semi-skilled or skilled worker segments will struggle before stabilising as many migrant workers will not come back quickly. The cost of low skilled or re-skilled workers would spike the labour costs in the short run. The overall dynamics of lower raw material costs but higher labour costs would play out in FY21. Manish Jaiswal maintains that consumer confidence arising from long-term stability and higher disposal income will be a key driver for pick-up in demand and the same will be contingent on vaccine discovery or low cost covid testing kits. "Living with uncertainty will be the new normal and those with low leverage, high agility will fare better in the covid business test," says he.

BUSINESS ROADMAP

In the current scenario, geographies which are less impacted and likely to bounce back faster are in the southern region such as cities like Bangalore and Hyderabad. Some parts of the north, especially, Haryana and Punjab, could be the next. The last ones would be the main centers such as Delhi NCR, Mumbai, Ahmedabad, Pune, Jaipur etc.

The lesser affected regions are expected to open faster and may throw up marginally better opportunities in the near term. Manish Kothari assumes that apart from sectors that cater to essential services, sectors that are expected to recover faster are those with smaller ticket discretionary spend, those that are catering to the rural economy, or those where government spending related consumption could happen like consumer durables, education, fertilizers, tractors, two-wheelers, cement, etc.

Rathish R makes a point: "We foresee a spurt in growth from clusters in Gujarat, Andhra Pradesh, Haryana and Maharashtra because of the central government's Self-Reliant India Mission. e-commerce and home delivery, healthcare and companies that are into providing services which enable digital work and office systems, entertainment, etc, will see a rise in demand due to change in people's behaviour."

Fino Payments Bank's business in rural areas has reached normal levels as migrants have left the cities and came to rural areas. The migrants are trying to establish their own businesses in their native places, and they are looking for new opportunities. The bank is receiving most of the new merchant requests from the migrants in the rural areas. Himanshu Mishra foresees these business probabilities: "We have seen rise in the business in rural India. In the coming days, we will see rise in the business from the industrial areas of Mumbai, Delhi, Surat, Valsad, Bangalore, Hyderabad, and Calcutta, as migrants would be back from their native place to cities. We have around 200,000 merchants and we add around 8000-10,000 merchants every month. During the lockdown period, awareness about our merchant points and their visibility have increased and we have added 17,000 new merchants," says he.

Champion Channels during Lockdown

BFSI companies have used different channels during the lockdown to provide better services to their customers and among them some of the channels have become the champion channels for them.

Says Rathish of Federal Bank: "All our digital transaction channels have witnessed a surge in volumes with Corporate Fed Mobile, our mobile banking application that caters to transactional needs of our SME and corporate customers is leading the show."

Muthoot Finance has online platforms Muthoot Webpay and iMuthoot mobile app for loan and interest repayment. The app has customer centric features like pre and part-payment facility, part-release facility, waivers, etc, which have eased the pressure on its borrowers. "Internet banking of major banks and all PPI channels are integrated to our digital channels and is functioning flawless for the past 2 years," adds Alexander Muthoot.

Following the lockdown, movement of the teams of Fino Payments Bank was limited and there was rise in the use of the bank's wallet Bpay. Himanshu gives details about the change in preferences among the customers: "After the announcement of money deposit in to the Mahila Jan Dhan account, there was rise in the micro-ATM withdrawals – the extent of 40%. People were afraid to go to their bank branches as the branches were far from their homes and they preferred our customer service points for withdrawals."

Specifically, in the context of SME lending, the loan onboarding process is likely to see massive shifts. Given that the practice of social distancing will remain in the foreseeable future, organizations will feel the need to centralize many last mile physical processes. Several of these processes also require regulatory sponsorship –such as KYC, signing of legal agreements, collecting repayment instructions, payments and on-site verifications.

Kotak Mahindra Bank sees that video-based communication has emerged as the biggest beneficiary of the lockdown. U GRO Capital has started seeing the relaxation of norms. For instance, video KYC is now allowed. There are solutions for electronic agreements and e-NACH is coming back.

Magma SME Business is paperless in terms of file processing and the company is now looking forward to online acquisition channels and integration with various APIs.

A major part of SME lending is the process of personal discussion, wherein a credit manager would visit the customer premises for a face to face discussion and physical inspection of the facilities. Anuj speaks about the crucial change: "Digitizing many of these steps will require the use of wide sources of alternate data, advanced algorithms and AI/ML systems for facial recognition, object identification, etc. We at U GRO Capital have initiated work on digitizing the PD process and this will be a revolutionary development in the loan on-boarding process."

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Alexander George Muthoot sees gold loan NBFCs are the source for immediate and easy funding for the SME sector to help them restart their operations till bank finance is released

Fintech partnerships move into SME space

There are new age fintech players which have emerged over the last 4-5 years and which have done significant work in acquiring MSME customers in niche segments. Their ability to focus on the target segments and design efficient financing solutions has made them price competitive and faster in terms of TAT.

Navin Saini reveals that this year, the focus of SME business at Arka Fincap would be to work with fintech partners, acquiring vintage MSME portfolios which meet their risk appetite and do co-lending.

He further adds: "We intend to partner with some of the niche fintech players especially in the field of education, healthcare, merchant finance and supply chain. Arka with its high credit rating of AA- / Stable from CRISIL, has the ability to raise debt efficiently wherein these fintech players usually struggle, which makes it a win-win for both the constituents of this partnership."

The Muthoot Group too has ventured into handholding fintech companies for expansion of credit to SME sector through co-lending model in association with Capital Float.

U GRO Capital provides 60-minute approval for loans up to ₹50 million, which is an industry-first according to Subrata Das. The company is equipped with enterprise data store and in-house advanced analytics. Anuj comments: "We consider ourselves in the convergence between sector specialization and fintech expertise - and we have used the covid times to make faster progress on our mission to solve the unsolved needs of the SME sector in India."

Innovative Responses by Lenders

Banks and NBFCs have done innovations and introduced product and services for their SME customers. Fino Payments Bank has already entered into an agreement with an NBFC to offer credit products to its SME customers. Himanshu Mishra provides additional details: “The project is still in a pilot stage; within 15 days we will be introducing it. It will be a complete digital model; customers can access it through their mobile on our portal.”

Federal Bank has introduced ‘Be Your Own Master’ (BYOM) platform for a completely unassisted lending journey for its existing SME customers. Rathish adds: “We are also deeply into digital upgradation of our existing processes to ease our credit delivery.”

Arka Fincap plans to primarily work on a hub and spoke model wherein, it will have physical branches in 8-10 major commercial centers as hubs and the rest of the nearby SME clusters would be spokes. For smaller loans up to ₹500,000 the entire process of customer onboarding and credit assessment is digital with zero physical human touch.

Navin Saini says: “For higher ticket loans, we are developing technology for embracing video-based customer interaction and large amounts of public data, which can help an underwriter do the credit assessment sitting in major hubs without the need to physically visit the customer. The products are also customizable according to the needs of the customer and there is no ‘one size fits all’ approach.”

When it comes to innovating financial solutions for SME customers, there is a need to differentiate between normal business stress and stress due to covid. Many good customers may show payment failure during the covid outbreak purely due to the unprecedented demand crunch. Programs and policies will be introduced with these aspects in mind. Anuj speaks about the cash flow methods: “Cash flow-based methods will be more important than ever before. The future cash flows will not be a simple extrapolation of past trends. New solutions should be based on a framework that can consider future cash flows after assessment of impact due to covid. At U GRO Capital, work is underway on all counts, and we will be ready to hit the market in a matter of days.”

Himanshu Mishra points out that during the lockdown period, Fino’s merchant point’s awareness and visibility has increased, and the bank added 17,000 new merchants

Predictive modelling systems and credit scores are likely to deteriorate. The analytics rules system will be enhanced suitably to continue leverage benefits in terms of predictive power as well as process efficiency, avers Anuj.

Magma SME Business has focused on paperless file processing during Q4FY2019, and the NBFC has plans to build a platform on it for the end-to-end digital file processing. Manish Jaiswal says: “We plan to add supply chain finance as a segment to our SME business. This segment will fund the working gap based on the invoices raised by the clients.”

Muthoot Group has introduced online gold credit line for the benefit of its customers recently, wherein the customers can deposit their gold under locker with the company and avail loan online as and when they require without visiting the branch. Alexander Muthoot explains: “This facility is akin to the locker facility of banks with the distinctive feature of unlocking the value of gold kept in locker in case of need. This facility has received wide acceptance from the business community as interest is charged only on the amount utilized and not on the entire limit as is the case with bank OD facility.”

The company’s interest rate is comparable with banks and the business community can avail loan against security of their gold for any amount in case of emergency without having to comply with working capital assessment norms stipulated in the case of bank finance. Gold loan NBFCs with their expertise in lending against gold will be capable of speedy loan disbursal unlike banks.

Gold loans always had acceptance among the business community as a bridge loan to meet liquidity requirements pending loan disbursal by banks. The retail gold holding by the public in India is estimated to be the tune of 25,000 metric tons, market value of which is over ₹1 trillion. Compared to the total deposits of Indian banking sector of about ₹132 trillion (of which demand deposit is only ₹14 trillion), retail gold holding by the public is the most liquid asset in the hands of the people.

Kinara Capital has 30,000 customers and it has already resumed operations. Hardika explains that technology combined with data-driven insights can turnaround decisions and disbursements even faster for some types of businesses that are ready for growth. For customer reach, the company, she says, will introduce new ways to make it easier for the businesses to access and go through the application process by relying on digitization, such as online KYC and online underwriting. “We will continue to provide personalized support at all levels while providing new digital solutions to our customers,” she adds.

The new normal is to execute banking

business with significantly lesser physical contact with customers. Manish Kothari shares the details about the digital strategy adopted by Kotak: "To adapt to the new normal, we are looking at strengthening the use of technology and digital in every aspect of the SME business like customer coverage, credit underwriting, documentation, transaction banking and monitoring such that we improve the efficiency of the customers' business every way, including in their day-to-day dealing with the bank."

Saurabh focuses on introducing cluster-specific products for the SME customers: "In general, we feel, though the opportunities would be high, we would tend to tread cautiously given the asset quality concerns. We are also working on identifying new loan eligibility, especially when the business has been virtually zero in the last 2 months. While we already have a range of EMI-based credit line facilities for MSMEs, available for the short, medium, or long-term tenure; we now plan to customize them to design sector- and cluster-specific products."

Getting Serious about Data

Several BFSI organizations which participated in this report have dedicated IT and digital teams to serve SME customers. Federal Bank has a dedicated group in the SME business team which is constantly in the lookout for opportunities to automate and transform. The team members work hand in hand with the bank's IT, MIS and analytics teams. Rathish reveals the details about the special IT team: "We have a dedicated IT team for ensuring functioning of our core banking and digital platforms 24x7. Over 60% of our borrowers are from SME sector and our digital platforms are most used by this sector."

Fino Payments Bank has a dedicated IT team that works on the overall merchant business and the bank keeps on improving its digital solutions available on its portals and Bpay. Navin Saini says: "We have already carved out a separate digital acquisition team which will scout for partnership opportunities with new age fintech companies. We also plan to have our own IT and data analytics team in the near future, which will help us develop our own data analytics engine."

U GRO Capital provides 60-minute approval decision for loans up to ₹50 million. The company is equipped with enterprise data store and in-house advanced analytics.

The company's investment in analytics and technology has resulted in early success for its loan origination platform which connects to 24 external APIs and can produce an in-principle decision within 60 minutes, which is an industry-first according to Subrata Das. He adds: "We consider ourselves in the convergence between sector specialization and fintech expertise – and we have used the covid times to make faster progress on our mission to solve the unsolved needs of the SME sector in India."

Manish Jaiswal sees Magma's SME business operating like a fintech at pre-disbursal level and the endeavor is to be the best phygital lender in the country

Its customized business rules engine hosts all its credit policies and credit scores. "We have crossed ₹10 billion in disbursals and turned profitable in the first year and 100% of the loans have been processed through the system powered by our policies and analytical models," beams Anuj.

At Kinara Capital entire business is focused on helping SMEs and driving financial inclusion of small business entrepreneurs. Hardika says: "We have invested in technology processes that have eliminated paperwork and redundancies in a typically complex lending process. As a fintech, we certainly have our own IT and digital teams, we were also an early adopter of building our own data science team."

Incred has a large in-house IT Team to support all the businesses including MSME business. Saurabh says that the in-house team is working on developing and improving applications to give a world-class digital experience to InCred's MSME customers.

Manish Jaiswal says the company has a strong product team which seamlessly integrates with digital and analytics team. Our proprietary scorecard - M-score - reflects industry best vintages and will keep investing to better customer experience," says he.

DATA ANALYTICS FOR SME CUSTOMERS

He also speaks about the use of data analytics to support end to end business:

"We use data analytics at almost every leg of business to support end to end business, be it sourcing, underwriting, disbursal and collection. Our product teams deploy deep analytical technologies integrating vintages of external and internal data. We will continue to expand digitally as a way of life going ahead."

Federal Bank has a separate division for data analytics. The bank is leveraging the team and the API tools for delivery of SME products through the BYOM platform.

Fino Payments Bank has 2 different analytical tools and the bank has heavily invested on analytics for providing real-time inputs to its merchants and team members. Himanshu Mishra says if any person from anywhere wants to become our merchant, he can make a request on our portal or call center. The request can come from any remote locations in the country and we have connectivity till gram panchayat level."

The sudden and radical change in enterprise behaviours brought in by the pandemic has reduced the efficacy of established data analytics and machine learning models. Saurabh Jhalaria says: "We are taking this opportunity to better our analytics models and are stepping in with human intervention as needed. From a risk assessment perspective, the focus is on complementing dated financial / revenue data with alternate data procured in real- time."

DATA DRIVEN TOOLS FOR DECISION MAKING

For data analytics to perform optimally and conclusively you need a large amount of data sets. Arka Fincap in its initial phase has been relying a lot on the public data such as bureau, PAN, GST, social media, banking etc, which is largely available to all to not only acquire customers but for underwriting as well. The company is now looking to collaborate with fintech partners from within the lending industry and from other industries which have large customer base and use their transaction data for analyzing and underwriting their customers for lending.

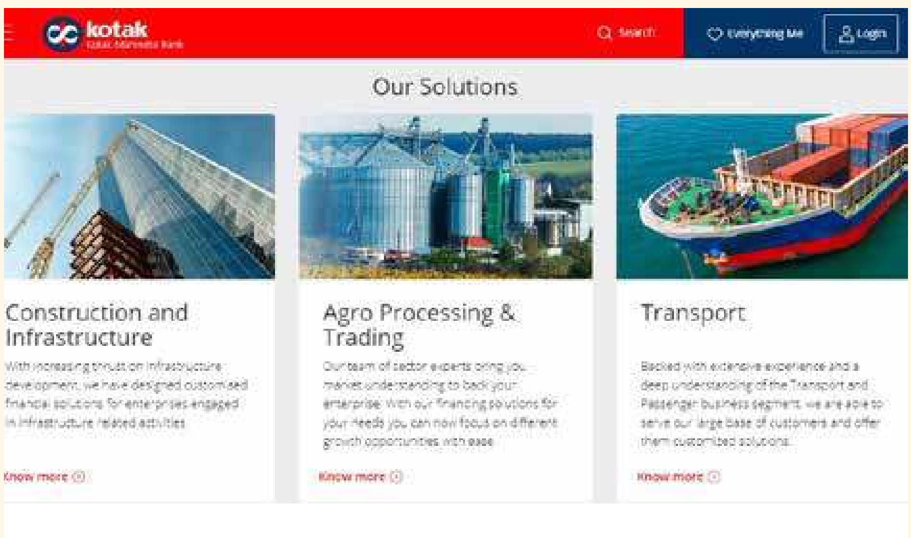
Manish Kothari is looking at strengthening use of technology and digital in every aspect like credit underwriting, documentation and transaction banking so as to improve the efficiency of the customer's business in every way

Navin Saini reveals: "We are already investing to develop our own data analytics engine which will run on our data lake and keep getting better with the further increase in the customer base which we acquire over a period of time."

Application of analytics in SME lending is lesser and mostly in one-size-fits-all manner. U GRO adopted a sector-specific strategy. Subrata Das gives details about the strategy: "We realized that the cash flows of an electrical equipment manufacturer will be very different from that of an educational institution or a pharmacy store – which implies that these entities need to be assessed in different ways. We have solved this using our proprietary solution 'GRO Score' which was implemented from day one of business operations."

He says U GRO's is a fast-maturing analytics practice with vertical competencies on data engineering, portfolio analytics and on-boarding science/ predictive modelling. "We are making rapid strides in taking advance data science and ML/AI based applications to the market. We have developed an in-house ML deployment engine and are in the final stages of implementing our first home-grown alternate data model for credit assessment. Work is underway to digitize processes that have always been physical – such as location assessment, alternate data-based fraud checks, facial recognition, and object identification", says he.

To support analytics and other applications, U GRO has consciously designed a 'zero data loss' storage architecture where every bit of customer data is stored for future analysis in a central repository. This is bolstered by the API partnerships where bank statements, tax reports and credit bureau reports are converted into machine-readable data. The company has a custom OCR solution that can read P&L statements and balance sheets within an hour and the company has invested in globally acclaimed statistics and machine learning software.



Technology assisted interactions imminent

BFSI companies are increasingly relying on going digital through agile technologies, getting asset light, and providing more opportunities for work from home and reducing infra expenses wherever possible.

API integrations for real time online analytics and verification of data will be the key driver in improving SME business. Video KYC, video personal discussion, artificial intelligence, social media footprint, etc, are some of the new age technologies which are currently being either incorporated in customer onboarding journey or being tested for adoption.

Fino Payments Bank focuses on providing seamless services to its merchants. Now the bank is planning to launch chatbot service to take interaction convenience to the next level. InCred is already leveraging technology to reach MSMEs. In a post-covid world, its emphasis will be on digitizing the borrower journey and internal processes to enhance customer experience and drive operational efficiency. Saurabh gives details: "We are looking to enable digital-only interaction by promoting engagement through our web and mobile apps for video interaction, enabling real-time identity verification, improving our credit decisioning algorithms, and partnering with vendors to support e-signing of digitized loan agreements."

Rathish R highlights Federal Bank's Be your Own Master (BYOM) platform for a completely unassisted lending journey for its existing SME customers

U GRO Capital has a multi-pronged distribution model and technology provides crucial enablers to each channel – the GRO+ mobile app for its GRO partners, the GRO Xstream platform for BFI partnerships, Gro-Chain for supply chain platform and GRO-Direct for direct to customer (D2C) platform. Anuj explains: "We are a completely cloud-based platform with global standards of network infrastructure and information security. The covid situation is yet another reminder that touchless transactions and digital lending will prevail in the future. We have been on that journey and are in a sweet spot when it comes to our strategic focus, investments we have made and the properties we have already developed."

Alexander Muthoot says that The Muthoot Group is striving to upgrade its technology and all its 5000 branches are under core banking platform and a best in class Customer Relationship Management (CRM) system. All the technology platforms are upgraded and updated as per the requirement on an ongoing basis.

In terms of easing the workflow, Magma's SME Business has initiated eSign, eNACH and various other API integrations in its loan origination system. Manish Jaiswal says: "Magma's SME business operates like a fintech at pre-disbursal level and our endeavour is to be the best phygital lender in the country. Given our investments in analytical technologies and API integrations, we shall be able to expand our distribution capabilities in the aftermath of covid."

Change is the only constant and the covid crisis is quickly transforming how businesses operate and interact with their customers. This is a transformation that is easing friction and expanding reach, creating a win-win situation for SMEs as well as lenders. Very wisely, the BFSI players have converted the problem into an opportunity.

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Boom in Digital Payments

The payment industry, which includes mobile wallets, UPI, payment gateways, credit debit cards and POS, has significantly increased its coverage and more merchants have started accepting digital payments during the lockdown. Digital payment options became popular ass more and more people could not either reach banks or even ATMs and there was evident fear of contracting covid through touch. Online payment systems have become more widely adopted since the traditional ways of physically going to a bank or making payments in-person with cash or cheques became inaccessible overnight.

"Since the lockdown, our customers are asking for new ways to make their EMI payments. So, in addition to our customer app and our website, we can be accessed via an aggregator using over 400 apps to make payments easily via digital wallets or payment systems such as PhonePe, Google Pay, Paytm and more", adds Hardika of Kinara Capital.

InCred has been leveraging technology to source and deliver credit to MSMEs. The new age NBFC is using an integrated platform connected with large corporates for reaching the MSMEs and has been disbursing funds directly to customer accounts.

Covid has emerged as a big challenge, as well as brought opportunities for the companies to improve engagement with its customers and to improve processes and become agile. Manish Jaiswal explains: "We are using digital means to achieve various objectives. We have UPI enabled payment modes for collections, since during the lockdown cash collection has been a concern. We also have a Magma Payment Gateway where EMI payments can be directly credited to clients' loan accounts instantly.

How SBI warriors battled covid-19 at their Global IT Centre

Sunita Handa, CGM - IT Channels & Operations, at State Bank of India, narrates how the bank prepared its manpower and technology to meet the unprecedented crisis caused by covid-19:

Manoj Agrawal: Outbreak of the life-threatening covid-19 and the nationwide lockdown to contain its exponential spread: what did it mean for the Global IT Centre of State Bank of India, India's largest bank?

Sunita Handa: Banking is categorized as an essential service. In all phases of the lockdown, banks were expected to provide uninterrupted services to their customers through their branch and non-branch channels. While the medical and police personnel are trained and equipped to work in such circumstances, the same is not true for bankers. They had to learn by themselves the dos & don'ts for the situation, whole heartedly work towards the BCCP, or Business Continuity with Change Planning, and run the show courageously, calmly and as seamlessly as possible. In these difficult times, the Global IT Centre (GITC) had to enable SBI's brave coronawarriors manning the branch and CSP counters to deliver efficiently, by keeping all the systems up and running. The non-branch/digital channels, apart from being convenient, are 'healthy' options for bank transactions. These channels must run non-stop, whatever be the obstacles.

Further, for the government to deliver its relief packages to the target groups, be it the financial inclusion customers or the MSMEs, the single most important channel is the banks, which must facilitate this with efficient tech operations and systematic branch operations.

For SBI, being a leader in all of the above, it was absolutely essential to strengthen the safety net and backups of human and tech resources at our GITC.

So, how was that safety net arranged to keep the show running without any disruption?

I will just touch upon the key areas where we changed our normal route (that's why I called it BCCP):

- In normal course, our 24x7 teams attending to operations, channels and other critical functions work in 3 shifts from the same premises in the primary setup. We immediately divided them into 2 or 3 sub-teams and spread them in different buildings so that in case one building got quarantined, others would be available.
- Intranet was extended to the residential colony and more than a hundred workstations were setup so that in the worst-case scenario, we could have operated from our colony.
- Bare minimum staff and vendor resources for running the essential services were identified. All arrangements were put in place for this group of resources to ensure that they do not have any problems in attending to work. The arrangements included special buses (with specific permissions to ply) for pick up and drop, stay in near-to-office staff colony, food at office and colony, and liaising with police and municipal authorities for procuring passes for commuting to office.
- Sanitizers, masks, zero-touch access systems, deep-cleaning and fumigation of premises accepted as new normal.
- Regular communication with staff to allay fears, to spread the dos and don'ts regarding social distancing and personal hygiene and to invite their suggestions on the plans the management was implementing to overcome the challenges.
- Simultaneously, fast-tracked the enablement of 'Work from Home' or rather 'Work from Anywhere' through VPN and other systems.

Sunita Handa avers that banks are the most important channel to deliver government's relief packages, which they must facilitate with efficient tech operations and systematic branch operations

How was the overall attendance of the bank and outsourced staff running the Navi Mumbai datacenter? Compared to normal times, what percentage of staff was actually working from office during the lockdown?

Let me tell you, each day brought a new story. We had more that 25% attendance on the days when Navi Mumbai was considered less affected and also had the days with only 10-15% attendance when spurt in positive cases in the region hit the headlines and the police and the NMMC became stricter in their allowance for movement of people. What helped us was our timely identification of some 800 odd resources out of total 6000 plus, who are required


Sanitisation of baggage at entry points


Thermal scanning at entry points

to run the bare minimum operations. On each single day, it was ensured that these resources or their backups are working smoothly, from office or remotely. Work on new and larger projects was taken up only selectively.

Was there any re-distribution of workload among main DC, near-DC and DR site?

During sudden disruptions in business, banks usually focus on technology and telecom infrastructure for BCP. But in this case, the 'people' dimension became critical since it is the people who are affected by the virus or are unavailable and not the IT or telecom infrastructure. Keeping infra at the near-DC and DR centres in pink of healthis, of course, important, but that is for those scenarios when the primary DC becomes inaccessible, say due to a resource working there testing positive leading to requirement of closing down the DC premises for fumigation or special sanitization.

Banks are highly security conscious (have to be!) as far as technology is concerned. Work from home was not the norm. What challenges were faced when SBI GITC took a call to implement it in record short span?

Any work from home environment will face the following challenges:

- The remote connection has to be absolutely secure leaving no scope for breach by hackers / cyber-attackers;
- Safe, private and secure environment on the side of our resource, leaving no scope for shoulder surfing or view/misuse of data by an unauthorized party;
- Absence of face-to-face meetings for deliberations, brainstorming where process flows etc. are explained with the help of white boards and manual drawings;
- Arrangement of required devices and infra;
- Policies, SOPs and SLAs didn't cover work from home scenarios.

However, since coping with the current crisis situation required an interim operating model with mix of essential people working from office, most others working from home the same was made possible in a speedy but totally secured manner, taking care of all of the above concerns.

Were any steps taken to harden the computers that the employees would be using at their homes for work?

Hardening of computers was the foremost requirement for enabling VPNs. New laptops were acquired for hardening and many existing ones were also done. A small team started this work and later many more resources were trained by them for the job. Our Information Security Team, which has earlier not been in favour of working remotely, joined hands with this group to oversee the security aspects and gave valuable inputs to make the task secured and speedier. Since hardening of devices had dependency on procurement and required lot of time-investment, other secured methods were also adopted in the interim for remote working.

Please give examples of additional services and efforts put in by IT companies to help SBI's IT systems running smoothly during the lockdown.

The challenge that came at the very initial stages of the lockdown was that the private sector IT firms working with us thought that they do not come under essential services. However, when it was clarified directly and later, also through the home ministry that the vendor partners of banking services will be exempted (like bankers themselves) from lockdown, they came around and their teams were instructed to help the bank run the show. We got exceptional help in implementing the new changes announced by the government in the wake of pandemic (interest deferment, DBT with new criteria, multi-modal integration for PMCares account, etc.) Work from home was whole heartedly welcomed by most of our vendor partners. They also offered support to make it possible.

When the lockdown was announced, development work on our mobile app Yono Global for customers of SBI (Mauritius) Ltd was at final stages. Since demand for the mobile app was likely to surge during the lockdown, our teams along with the vendor partners fast tracked the remaining work despite the covid situation and successfully launched the app on 15th May 2020. Customers have applauded the timely release of the app with a high 4.9 rating on the Playstore.

Spray of disinfectant

What has been the change in usage among various customer servicing channels? Which channel/app has emerged as the champion during the lockdown?

Activities on tech-channels can be divided into two broad categories. The first category covers account status, inquiry, mini-statement and sporadic funds transfer related activities which see an upward trend when people earlier using branch or CSP channels for these services start migrating to digital modes. In the second category, we have the usage of digital channels for commercial activities; eCommerce, m-Commerce and p-Commerce (POS swipes and QRs) which is pushed upward by demand & supply of goods and services in the ecosystem. You would have seen category two throughput increasing many-fold during the festive season or announcement of BIG SALES by certain merchants or market places.

During the covid lockdown, many more people got the inclination as well as the time to try digital. So, our non-transactional mobile service **SBIQuick** experienced a 100% increase in inquiry related transactions. Another champion channel has been our SBI **YonoBusiness** application, a one-stop solution (Dear Corporate, You Only Need One) for all kinds of transaction banking needs of our non-individual customers; right from a proprietary firm to MSME to large corporates. This segment is mostly slow in migrating to digital due to requirement of change in their internal administration style. Many corporates have dedicated staff to visit bank branches to do their banking transactions manually or through cheques. However, coronavirus and the lock-down has changed all that. Corporates are learning new ways to access their account and transact in them digitally. We are not surprised to see the **YonoBusiness** logins doubling up when compared with the normal. Apart from these applications, the increase in DBT credits by around 50% has pushed the AEPS (Aadhaar Enabled Payment System - mostly used by FI customers) channel transactions up by around 40%.

Coming to the category 2 activities, since spending has taken a dip due to requirement of social distancing and closing of markets, malls and shops selling non-essential goods, the use of card on POS machines has gone down by as much as 70%. The number of cash withdrawal transactions on our ATMs and cash deposits in our CDMs in the month of April 2020 was less than 50% of the normal numbers for a month. Financial transactions through UPI and mobile banking have also witnessed downturn of around 20%. With online commerce for travel / hotel booking and eShopping taking a hit, the CNP (Card Not Present)/ eCommerce transactions has come down by 30%. Downward trend is observed in money transfers through IMPS, NEFT and RTGS too. The trends are the same for the entire banking system.

Which internal communication channel has emerged as a champion during the lockdown? Were any additional measures taken to secure this channel further?

The mantra for internal communication during the lockdown situation has been 'Socially Distant but Digitally Closer'. We have been using our internal video conferencing system as also the Microsoft Teams platform earlier too, but the covid scenario introduced us to their wider capabilities and hitherto unknown features. These platforms have been extensively used with our Information Security department always keeping an eye on their robustness and strength.

Was any covid testing undertaken for family members of IT staff?

We have been fortunate in this regard. Immediate tests were carried out in 2 cases that were reported positive and it was found to our relief that no spread has taken place. We are hopeful of surpassing this covid challenge together very soon and navigate into the virtual and virtuous digital world.

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Kotak Insurance to grab new use cases post-Covid

Company already issues more than 90% of policies electronically

Kotak General Insurance seeks to provide a differentiated value proposition through customized products and services leveraging state of art technology and digital infrastructure. It understands the importance of digital and has been steadily building its digital capabilities. The company believes that digital is not just a medium, but an enabler of doing business.

The company's MD and CEO Mahesh Balasubramanian describes digital as a backbone across functions, be it in acquisition, policy issuance, servicing, claims and even employee engagement and training. He believes in the post-covid world, digital and technology will play an even bigger role. "A classic example is the use of digital to enable work from home for all our employees, which was implemented in the early days of the lockdown and this ensured that they cater to all customer requirements remotely," says he.

Mahesh Balasubramanian

ONLINE BUSINESS

The company has been equipping all its partners with digital means to help them offer better experience to their customer segments. It has created customized journeys on the mobile and web for its distribution partners to help them issue policies to their customers electronically. Balasubramanian says these platforms are integrated with the company's core systems and using these platforms, the distribution partners can issue policies remotely from anywhere. "Such initiatives improve partner experience and efficiency greatly. Pure online business contributes around 16% to our top line and we are looking at doubling this number in the current "financial year. If we look at electronically issued policies, it would be more than 90% of our volumes," he says.

FITNESS TRACKER

Kotak General Insurance intends to offer wearable fitness trackers to its existing and new health insurance customers to help monitor their mobility and fitness pattern. "We have recently launched a unique sandbox initiative based on the essentials of the preventive healthcare ecosystem in association with leading Indian healthcare start-up GOQii," says Balasubramanian, adding: "The fitness tracker will constantly measure the customers' vitals like step count, quality of sleep, etc. and help them maintain / work towards a healthy lifestyle."

DIGITAL MARKETING

Kotak General Insurance has presence in virtually all the social media channels. It is focussed more on performance related marketing initiatives. According to Balasubramanian, such marketing initiatives have a direct impact on revenue besides working on enablers like online customer journeys aimed at making customer experience better.

He adds: "Last year, we launched a first of its kind social media campaign themed #DriveLikeALady aimed at celebrating women drivers on the road who have typically been subjected to deep rooted societal biases. The campaign was very well received, and so far we have won 1 international and 7 national awards across digital marketing forums."

CRM, ENHANCING CE

Analytics is at the core of the general insurance business, especially for Kotak General Insurance, since it believes in the philosophy of prudence. Customer experience is extremely important, given the little differentiation in products in its category.

Says Balasubramanian: "Rich insights emerging from our analytics practice help us shape our product, distribution and risk management strategy. Our CRM platform works towards giving a single view of the customer, which equips our serving teams with better knowledge and history of the customer, helping them provide a seamless experience. We also run NPS practice across the company to understand customer feedback and work towards improving customer experience. Apart from this, we have launched multiple initiatives such as tablet- based claims processing for convenience and TAT, integration with vehicle databases to reduce customers data entry steps, online claims submission, online renewals and end to end automated policy issuance systems. Our digital and technology initiatives have been implemented keeping the complete customer journey in mind- from acquisition, onboarding, to servicing, claims and retention."

POST COVID PLANS

The company's digital initiatives and platforms existed during pre-Covid days as well. However, Covid has exponentially increased the pace of adoption. Technology and digital initiatives will, understandably, play a larger role in the post covid scenario and Balasubramanian feels there will be new use cases emerging from the Covid crisis. "For example, customer solicitation for traditional channels will also deploy digital means and can be done remotely, or contactless. Imagine, your trusted advisor sends you a video on WhatsApp explaining the features and benefits of a product in an easy to understand format. On expressing interest in the product, the advisor can guide you with the required data and documentation to buy the product online. As a company, we will continue to invest and build capabilities in these areas," says he.

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For Max Life covid not just a short-term discontinuity, but a long-term opportunity

Max Life reacted to the pandemic quite swiftly and this brought in dividends, says Manu Lavanya, director and COO of the insurance company:

N. Mohan: It is mentioned that while the coronavirus death toll may not be a cause of trouble for insurance companies, the impact on investment portfolios, delayed premium payments authorized by the government and defaults will be. How do you comment?

Manu Lavanya: Our traditional funds are run with disciplined asset-liability management principles. These are based on long-term asset class returns and short-term fluctuations do not materially impact the longer-term outcomes. In the ULIP funds, the performance depends on the asset class chosen by the customer and we have a range of funds from pure fixed-income to pure equity funds.

As a customer-centric organization, we have proactively communicated to all customers the relaxation of 60 days on premium payments as offered by IRDAI. Although in the short term while this has led to a minority of customers delaying their premium payment after the lockdown period, we do not see this having a larger impact as a significant portion of our premium payments are obtained through direct debits.

We have introduced multiple supporting communication campaigns that have been sent out to the customers to help them pay their premiums through automated digital mediums thus removing the need to visit physical branches. We have reworked many of our renewal processes to reflect a higher level of empathy with the customers while we continue the efforts to collect the outstanding payments.

How do insurance companies like Max Life Insurance stay ahead in this crisis situation?

Our response to the covid situation is an example of a deep commitment to live our values of 'Caring' and 'Customer Obsession' consistently in the face of this discontinuity. We have been able to stay ahead of the crisis by swiftly embracing a set measures enumerated below:

- Digital for business resilience: Within a period of 2 weeks, we drove extensive digitization of sales processes including virtual customer engagement, virtual sellers training, enablement of channels with digital tools to drive distributed sales governance, and digital recruitment. On the operations front, we enabled 100% non-medical underwriting in the post-covid era, increased leverage of TeleMER for remote underwriting and provided multiple digital alternatives to customers to drive policy self-servicing and digital payments.

Manu Lavanya outlines how Max Life Insurance is driving multiple digital transformation engagements to permanently change many of the processes

- Keeping employees and agent advisors first: Max Life's scenario planning was put in place very early which allowed us to plan things better. Among the first in the industry to implement Work from Home, we took measures like reduced manpower addressing to essential customer service needs, moving all employee engagements online, leadership connect via digital mediums and frequent dipsticks to gauge stress and engagement levels. This allowed us to seamlessly move our operations digitally and ensure employee and agent advisors' health and safety were kept paramount.
- Being ready to serve customers: we believe that in the face of adversity, consistently supporting our customers through this difficult time is essential for living the value of customer obsession. Within 4 days of the announcement of the lockdown, our fulfilment team was operating at a 75-80% efficiency level. With claims management working uninterrupted, customer service operated at an optimum level to ensure the customer experience is unaffected in the post-covid regime. Also with increased customer communication and ensuring self-service options are always-on, we were able to ensure that there is minimal impact on our ability to serve our policyholders.

Do you propose to introduce new products in the light of the pandemic?

While our life insurance policies are more than geared up to address death claims arising out of covid, we like all large life insurance companies are in the process of defining and addressing the core needs of customers with our new products and policies specific to post covid era.

We have realized that the pandemic has led to an increase in demand for pure protection products, which are expected to gain further traction post-lockdown. Consumers are banking on life insurers for assurance in times of uncertainty, and we will, therefore, be rolling out solutions and specific product offerings around protection to cater to changing needs during such tough times.

The world is about to experience a new normal. In terms of insurance industry, what could be the positive sides of this new normal?

Covid has brought over us unprecedented times. However, the whole life insurance industry is coming together in its own way to navigate these extraordinary times. While operational restrictions will have a short-term effect on growth, this unprecedented situation will create greater realization among the community and shift the focus to safeguarding the financial future of their loved ones from any such calamities in the future. From a customer standpoint, individually all the companies are making efforts to digitize all their processes across the customer value chain.

At Max Life, we realize that covid presents not only a short-term discontinuity, but it is also a long-term opportunity for permanently transforming the way we do our business through strategic digital transformation interventions. We believe that this discontinuity is helping us build 'permanent long-term muscle' in the form of the digital transformation of sales and operations that we will retain in the post-covid world as well. It is an opportunity to break away from the industry through new business practices based on a differentiated hybrid human-digital response.

We are currently driving multiple digital transformation engagements to permanently change many of our processes, be it digital selling, automated operations, or reimagined workplace for the future. We believe that this transformation will make our business resilient and future-ready at the same time.

Will there be marked differences in the way distribution channels operate?

For all the uncertainty about what the future will look like, it is clear already that it is digital which will be the new normal. As this phase requires social distancing, life insurers will need to build an ecosystem of contactless servicing for which digital becomes inevitable. The life insurance sector, which is traditionally dependent on bank branch walk-ins, agents and customer meetings, is now finding ways to continuously digitize operations to deliver a seamless customer journey.

In line with our commitment to customer-centricity, we realize that digital channels will play a major role in the times to come. This has led us to swiftly digitizing all our key operations across sales, policy issuance, claims, servicing, and the entire value chain, making policy buying and claims settlement possible for customers in a contactless manner. To ensure that new policies can be issued to customers during a time of lockdown and no physical contact, we have also digitized our sales processes to accommodate social distancing.

To enable transparency of digitized transactions, we have ensured that all support documents are accepted online and customers can submit claims on time, using self-service options available on the website, digital bots and AI-driven Interactive Voice Response. In addition to that, we have also installed a TeleMER protocol for policy issuance that is ensuring remote medical underwriting for new customers buying policies during this time maintaining due clarity and security online.

Can you briefly recount how Max Life Insurance initially responded to the outbreak?

Difficult times test the character of individuals and organizations. We were able to pass through the test of "Confidence & Trust' of employees, customers and partners in these unprecedented times by creating a Business Continuity Plan (BCP) that could carry all stakeholders along with us in our growth story. The BCP team had started the scenario planning way in advance. By 13 March, work from home was implemented in most of the corporate functions and all group events were cancelled and moved to digital platforms. Manpower in sales offices was reduced significantly and only employees who were required to maintain essential customer services were attending offices. Nearly 500 laptops were hired to ensure that employees engaged in customer-facing services could remain functional. 65% of the desktops were shifted to houses of employees and in 35% of the cases, personal computers were remotely connected.

We also adapted to cutting-edge digitization avenues that have enabled seamless business continuity, even when more than 95% of its workforce has been working from home, adhering to social distancing norms.

How did you handle the workforce? Has WFH become a norm?

As the situation worsened, we triggered the BCP a week ahead of the lockdown to ensure the safety of all our employees. This enabled us to transition 80% of our employees to remote working effectively within the first 3-4 days of the lockdown announcement. Maintaining employee morale and healthy teams requires constant communication and collaboration. We leveraged tools like Zoom and Microsoft Teams to ensure seamless working across functions.

Digital channels are key to the performance of insurance companies in future

We have been able to maintain efficiency and productivity among employees. While the quick work-from-home adoption has led to a transformed HR model, we believe working in a common space keeps employees motivated and far more engaged. Having said that, there will be more flexibility, should employees choose to work from home going forward.

We have also implemented a strong learning & development program for our distribution teams to acquaint themselves with new ways of working in the digital era. This will open up new distribution possibilities and help improve efficiency. We have completed digital training of our 10,000-strong frontline sales team while initiating a comprehensive quick-response program to empower the sales teams to swiftly pivot to a digital operating model under distribution. Over the next few months, we will focus on introducing various training modules to further enhance the capabilities of our employees.

We have embarked upon a journey of reinventing our workplace to permanently change the way our teams work and collaborate. This transformation will mean higher virtual presence, more digital self-serve learning mediums and enabling anywhere-any device secure operations.

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Hybrid Cloud bridges customer expectations and regulatory compliances

Technology experts spell out numerous technology opportunities to transform the BFSI sector, and zero in on the crucial.

Banking and financial services are being disrupted with new business models and rapidly changing customer expectations driving the behavior. A McKinsey research shows that shows that the top business transformations of the past decade has correlated maximum impact of digital transformation on 3 aspects (i) repositioning of the core business (ii) creation of new offerings and business models and (iii) robust financials.

Biswabrata Chakraborty, CIO at IndusInd Bank, explains the underpinning strategy for developing disruptive business models: "It start with reimagining customer experiences – companies which have reimagined their core mission and offerings around this principle have been top business transformers. Examples like PinAn, DBS and Netflix have all created digital experiences which have shaped customer behavior."

BEST IN CLASS CX

While traditionally CX is confused with measures of customer service, best in class CX requires a rethink of journeys leading to impacts on UX using technologies like AI. AI based decision-making is now making it possible to create higher order customer experiences such as autonomous cars. For banks – this rethinking has led to experiences 'beyond banking' which is delivering a marketplace for customers across the value spectrum of banking, wealth management, utility, social experiences, from a single app.

The most critical component of delivering a set of digital experiences is the ability to harness data to discover, know and engage a customer meaningfully across a multi experience platform, affirms Biswabrata.

Naturally, technology enabled customer journeys are not friction free. Shiv Kumar Bhasin, COO & CTO at NSE, suggests a methodology: "We must look at all friction points in each customer journey from a detailed perspective. A matrix needs to be drawn for each customer journey with respect to various channels and alternate business options given to customer. This study will provide comprehensive list of friction points. We must draw customer empathy maps covering these friction points, which will provide the really transformed CX."

Shiv Kumar Bhasin believes hybrid cloud architecture would be most suitable for regulated environments, where applications with less sensitive data or cloud solution with better security solutions in place can host application services

Self-intuitiveness of the product/platform feature/service, ease of use, minimum clicks (say 2 clicks), no data loss in case of any network glitch, self-population of personalized data either from the government databases or from the artefacts scanned/photgraphed by the device itself, are the key CX parameters, believes Shiv Kumar.

Biswabrata adds a new dimension on CX - gesture enabled API driven journeys can create a meaningful value for customers on voice, video over and above chat-based interactions.

Since technology keeps changing rapidly and every change is expensive, the question that banks must ask is this: what front-end and back-end technologies are long-term allies of banks in this journey? Shiv Kumar responds: "Kubernetes based out of Pivotel Cloud Foundry is the best technology to build microservices oriented architecture-based services for front and back-office applications of BFSI industry. For experience there are various libraries like Magento open source or licensed enterprise edition, Hybris from Adobe, etc."

ARCHITECTURE

Newer applications are developed on cloud native architecture based out of docker/Kubernetes/etc containers. However, 90-95% application are still based on traditional 3-2 tier based architecture applications, exclaims Shiv Kumar, adding: "We are planning to grow with multi-cloud/hybrid cloud approach."

In India, more financial services companies are looking at newer systems of engagement to acquire more customers. "We are currently seeing a lot of SaaS applications which are being used by banks and other organizations to reach segments of society which they would not have ever reached before," says Anantharaman Balakrishnan, VP & MD at Nutanix India

Biswabrata gives the banking perspective: "Digital architecture is built on the foundations of (i) open or API driven banking which can easily connect fintech and partners with a banking platform, making it seamless for customers (ii) a big data platform and advanced analytics and decision sciences to be able to make meaningful connections in the data (iii) a multi experience delivery for customers which can offer hyper-personalization and almost bring banking services to the power of 1 through the delivery of solutions, experiences and service."

In today's scenario, necessarily the enterprise bank has to collaborate with partners and fintech providers - and this creates a distributed computing environment across multiple clouds. Various industries have already adopted a hybrid cloud by distributing core workloads on premise and digital workloads like the edge on the cloud, and banks are pursuing the same strategy as well.

HYBRID CLOUD

Customer interaction is a vital element in BFSI – and their increased sophistication and requirements means that FSIs require a simple and speedy solution to respond to their increasingly demanding requirements. Start-ups and fintech have responded with a preference for cloud-based solutions while banks have preferred on-premise solutions. Is hybrid cloud then the next step for banks in their journey towards CX excellence?

Biswabrata believes that as long as the experience of a public cloud can be delivered securely on premise, there will be a focus on automating and improving the efficiencies on private clouds whether on premise or a private tenant on the public cloud. "Use cases will be driven by benefits from dev/ops, privacy and data security. There is a trend to explore container platforms to leverage hyper scale (both on public cloud and on private clouds), which is leading to re-architecture of monolithic architectures of the past. OEM collaboration is bringing these advantages more rapidly on public cloud," he explains.

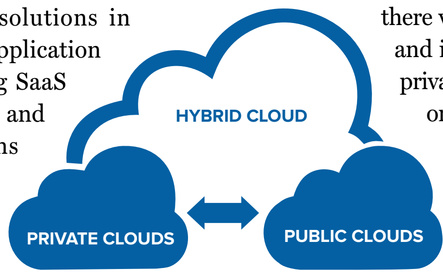
Various independent research commissioned by Nutanix indicates that the overall BFSI vertical outpaces all other industries in hybrid cloud deployments. One key reason is that HCI and hybrid cloud enables faster application roll-out and is ideal for reducing the time to customer as it provides the flexibility needed to deploy the right cloud environment on request,

Anantharaman Balakrishnan emphasizes that Nutanix brings a broad range of capabilities including 'security-first design' and 'defense in depth' to fit the stringent requirements typical of any financial services institution

avers Anantharaman. Increased simplicity, flexibility and governance also make HCI ideal for the sector.

KEY ISSUES

Shiv Kumar emphasizes the regulatory and cost perspectives, which he considers as key issues: "Hybrid cloud architecture would be most suitable for regulated environments, where applications with less sensitive data or cloud solution with better security solutions in place can host application services. Hosting SaaS services on cloud and core applications on premise on private cloud is the strategic approach to go ahead. Unless the cloud service providers address the cost concerns of the cloud infrastructure services, public clouds would be used only by low volume, start-up organizations."



"In an increasingly regulated environment, maintaining data sovereignty remains a big concern. As data volume increases, being able to see all of your data and then isolate, or ringfence, proprietary or legally mandated information, will require hybrid cloud systems," adds Anantharaman.

Rise in remote workers and WFH arising out of covid and lockdown, has necessitated the need for tightened regulations especially with respect to data – its locality and access. In this context Anantharaman points out the regulatory benefit of a multi-cloud strategy: "Multi-colud enables financial institutions to uphold data sovereignty (Laws of the Land). By ringfencing locally required, sensitive and personal data on private cloud, while permitting global access to customer-facing apps and digital workloads, hybrid cloud can fulfil both requirements while enhancing the organization's ability to be efficient and profitable."

A growing number of financial services organizations have discovered that an HCI cloud offers the agility of public cloud without sacrificing control over critical resources. But this is a move that cannot happen overnight and needs to be navigated carefully, requiring meticulous and mature consideration to decide which applications and services will run in the cloud. Success hinges on creating the right set of cloud environments that can power next-generation applications and better satisfy user expectations - while sustaining the traditional applications that business has relied on for years.

As long as the experience of a public cloud can be delivered securely on premise, there will be a focus on automating and improving the efficiencies on private clouds whether on premise or a private tenant on the public cloud. Use cases will be driven by benefits from dev/ops, privacy and data security. "There is a trend to explore container platforms to leverage hyper scale (both on public cloud and on private clouds), which is leading to re-architecture of monolithic architectures of the past. OEM collaboration is bringing these advantages more rapidly on public cloud," add Biswabrata.

"Hybrid cloud is no longer a trend or niche technology, so we are seeing the mainstream and start up FSIs rush to adopt it. For traditional FSIs, hybrid cloud provides an immediate path to a more simplified and customer-responsive organization. As they modernize and navigate the adoption to cloud – they are able to bypass or short-cut the complex and cluttered traditional hardware-based IT infrastructure, without significant upheaval, disruption and cost," avers Anantharaman.

MANAGEMENT CONCERNS

Most CXOs agree that the priority of meeting digital business demands requires a hybrid cloud strategy. There is an element of risk in any environment and the hybrid cloud is no different. The strategies adopted by companies depends on their risk appetite and the business model. Biswabrata points to the strong emergence of InsurTech which is disrupting the insurance business, with many new age insurers adopting cloud for their entire stack from day 1.

Shiv Kumar enumerates the three key management concerns - Cost, Data Security and Regulatory Compliance for data residency/sovereignty, ie having all 3 data centre sites of cloud (Production Near DR, and DR) within the country, and moving the data back to on-premise or to alternate cloud.

Biswabrata Chakraborty sees a trend to explore container platforms to leverage hyper scale on public cloud and private clouds, which is leading to re-architecture of monolithic architectures

As per regulations, at no-time should the data leave the data center in the country, not even for maintenance of cloud infrastructure from remote. Once large data is on cloud, how to get it quickly on-premise due to sudden changes in regulatory environment is big concern. Unless fastest data transfer mechanism to on-premise at no or minimum cost are provided, this is going to be a bottleneck, avers Shiv Kumar.

Anantharaman emphasizes that Nutanix brings a broad range of capabilities including 'security-first design' and 'defense in depth' to fit the stringent requirements typical of any financial services institution. Security in the enterprise must begin with a robust infrastructure foundation. This is where Nutanix not only provides operational and financial value, but also aids in improving security posture and preventing data breaches by ensuring these critical areas are a focal point. Its security offerings include event-driven security monitoring in real time, policy-based automation, and one-click remediation for security controls and configuration.

Risk management for the hybrid cloud should be visited holistically from a cyber security point of view, says Biswabrata. The alignment between CISO and CIO must happen to ensure that the risk to the enterprise is managed in a consistent and process driven manner while leveraging the obvious benefits of a hybrid cloud.

Cost is another management concern, opines Shiv Kumar. "Cloud cost must be optimized compared to on-premise deployments. Lot of organizations are capex centric. High opex cost of cloud companies will be roadblock to concur the infrastructure services approach. Data security and data residency with respect to land of law, must need to be adhered with best possible solutions as the feature of the services, rather than each client negotiating this as part of contract negotiations financially and legally."

Winner banks and financial institutions are likely to be the ones that navigate these concerns quickly, smartly and wisely as they increasingly adopt hybrid cloud in their march towards CX excellence.

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Nutanix Security Framework

Nutanix has built a security framework at three levels for enterprise cloud environments.

Platform Security: Security is a foundational aspect of product design at Nutanix starting with security hardening practices (like data-at-rest encryption, comprehensive access controls, etc.) built into the enterprise cloud platform. Industry best practices and government standards are incorporated (ex. NSA Suite B COMMON CRITERIA EAL2+ FIPS 140-2 Validated Encryption ISO 27001 Certified along with SP800-53 guidelines) into an automated configuration monitoring and self-healing process that supports compliance goals. Strict tests for common vulnerabilities and frequent patch releases minimizes risk of data breaches. Inconsistencies are logged and reverted to the baseline ensuring consistency of security configuration.

Application Security: Nutanix Flow delivers advanced networking and security services inside the data center, providing applicationcentric visibility and protection from network threats. Networks and applications can easily be segmented via a software-defined policy without any additional hardware or complex network configurations.

Cloud Security: Beam provides multi-cloud security configuration audits and compliance validation for Nutanix as well as public clouds. Beam uses 550+ automated security audits to detect and fix cloud infrastructure security vulnerabilities such as open ports, unencrypted data, globally accessible storage buckets, and more.

Axis Securities to go live in Q3 with revamped digital platforms

Working on AI-driven chatbots, a mobile app focused on traders & advisory platforms, reveals Vamsi Krishna, head of Digital Business, Product and Marketing:

Axis Securities, a subsidiary of Axis Bank, is engaged in distribution of wide range of financial solutions and broking services to retail customers. Customers can avail wide range of lending solutions. Axis Direct is a brand under which the company offers retail broking and investment services. Axis Direct account brings all investment options together under one roof, giving the customers the power to diversify their portfolios.

Mehul Dani: How have you implemented the digital strategy of the company and how successful has it been?

Vamsi Krishna: One of the key focus areas of our digital strategy is to build an ecosystem of tech-enabled advisory products across all value segments. We have launched Smallcase, SmartEdge, SmartOptima, and MF Advisory for our retail customers. All these products, though in an early growth stage, have garnered a record high adoption. We have over 1000 customers with an AUM of over Rs1 billion built in just 2-3 months. This year, we have started revamping all our digital platforms, adding features across investor and trader segments. We would be adding model profiles in stocks based on the risk profile of the customer. The strategies would be value and growth investing. For traders, we are working on quant-based option strategies, market scanners and multi leg orders.

How much business is garnered approximately online as of 2019-20 and in the current financial year?

At Axis Direct, the customer acquisition is primarily driven by its employees with almost no intermediaries. Of the overall business that we do, over 85% comes through our mobile app and website. We have one of the highest mobile adoption rates in the industry. As much as 40% of our clients have traded through Axis

Vamsi Krishna

mobile app. We acquire over 60% of our customers via digital platforms.

How have you gained by deploying analytics to increase business? How is technology put to use for CRM?

We have built a customer value management model to cater to our customer needs. The model captures customer transaction and interaction data in addition to demography, geography and trading psychograph. The model tries to gauge the customer's current emotions based on the trading outcome, interaction and activity levels. This information helps our staff to serve our customers better, enhance their satisfaction and thereby have a positive impact on the business. As a part of our digital transformation, we are working on AI-driven chatbots, a mobile app focused on traders and advisory platforms. We are targeting Q3 of this year for all the revamped platforms to go live. We are working with a couple of partners, with a non-disclosure agreement (NDA) agreement in place.

How strong is your presence on social media? Can you also briefly describe the online marketing and promotional activities?

Axis Securities has reached out to its customers with an innovative campaign called Chalo-Online, especially to train the 'new to online' and 'dormant' customers. We have ensured that all our customers get access to our digital platforms, making it simpler to manage their portfolios. We have also conducted several webinars to train our employees and customers, which helped them in the current scenario. Our research and advisory teams are actively present on social media (Facebook, Telegram and Twitter) connecting with over 300,000 customers. We have a healthy community of followers on our digital platforms. We hope to engage more meaningfully with this base through our current and upcoming digital initiatives.

We have been recognized as 'Top Equity Broker of year 2019' at the BSE Commodity Equity Outlook Awards.

In the post-covid- scenario, what are your targets and plans for IT and digital initiatives in the current FY?

Going forward, we are keen on sharpening our focus on digital-led solutions. We have increased our technology investments this year by 20-25%. We are a team of close to 50 people working on digital initiatives.

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Technologification trends in HR

Tanmaya Kumar Panda, head - HR at Universal Sompo General Insurance, and Amrit Jaidka Arora, head - HR at Digit Insurance, share the post-covid trends in HR:

Ravi Lalwani: Over the last 3 years, which HR activities were getting increasingly centralized and which were getting decentralized?

Tanmaya Kumar Panda: HR does not simply work within or as part of a business; it itself is increasingly being looked at as a business - with the pressure to produce, to add value, to make money. The emergence of advanced technology tools allows minute control and has tended to be better centrally manageable than earlier. Decentralization was a product of democratic instincts and not of business instincts. HR, as business, consequently, has veered more towards centralization than vice-versa in the last 3 years or so. Decentralization seems to be falling out of favour across the board. Information technology helps speed up recruiting, deciding accurately on the organization mandated retention-attrition balance, improving employee development, performance management and succession planning. In performing all these functions, in trying to reduce costs and optimizing processes, in acting as a profit centre, in makingcommunication effective and in making the whole employee force stay on the proverbial 'same page', the HR community seems to have concluded that these goals are achieved by making all key players work at the same centralized location.

Customer delight being the universally followed focus area for all businesses, HR as business again deems it necessary to operate centrally to ensure all parties to be fully aware of the overall organization strategy and to pull into the same direction.

Amrit Jaidka Arora: At Digit, we have recently moved to a zonal structure owing to the expaning geographies. Activities such as recruitment, skip level meetings, employee engagement and induction sessions have been decentralised. We have given all our office heads easy access to data and insights for their teams. However, performance management and payroll remain centralized functions.

What changes have happened as a result of the challenges posed by covid?

Tanmaya Kumar Panda: The covid crisis might have reinforced the trend; might have fast-tracked the centralization process. It is because mobility is a casualty and because control through mobility is no longer available as an option. Organizations which followed the legacy systems would plan to switch to modern technology systems. Organizations which followed decentralized or hybrid structures would shift to centralized HR with as much promptness as possible. Even functions which were left delegated - like employee training, skilling, re-skilling – would move back to the centre.

Amrit Jaidka Arora: A situation like this prevents communication and takes away our opportunity to interact with other teams and understand what they have been doing. The biggest challenge is to exploit all possible channels of communication. All processes must move online - with virtual induction sessions, virtual trainings and video conferences instead of face to face meetings and even virtual employee engagement to keep the morale up. Challenge is to engage with a remote workforce.

Will these changes be temporary or permanent? What is the role of technology in the HR functions?

Tanmaya Kumar Panda: The trend set by the covid crisis would most likely be irreversible. It is the reason that the centralization trend was already commanded and facilitated by technological advancements. Continually monitored value-adding ability is the trigger for HR as for any other business. Control, ceaseless central control, is the method. Technology is the facilitator, the tool; centralization is the outcome and covid has proved to be the accelerator.

Tanmaya Kumar Panda

Amrit Jaidka Arora

Amrit Jaidka Arora: We do not see the full work force coming back to offices and this will be the new normal. So yes, being ready with virtual solutions will be a permanent feature in HR. We have used technology to the maximum to keep communication going in our teams. Lifesize, Microsoft Teams, Zoom, etc have been utilized. Technology has decentralized data for HR making complex information and analytics available for all.

HR has been instrumental in rolling out all the technological initiatives and making acceptance possible. A big example would be how Digit has managed to make work from home successful and has derived the best possible results from the business continuity plan. We have launched our 'At Home Training', by which we have addressed knowledge gaps through product training across geographies and teams. We have Online Huddle Day for all those who joined us virtually during the lockdown. Sessions have been informative, interactive and truly a success. Daily team calls and e-meetings help to track work.We have also introduced 'Virtual Happy Hours' to boost the morale and reinforce human connections, where the idea is to have a video call just to chat, play a game, meet and greet each other's families.

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Estonia - the land of the KSI Blockchain

Estonia is a country described as the most advanced digital society and even envied by former US President Barack Obama:

Forbes magazine described Esotnia, the North European country once part of the erstwhile Soviet Union, 'The most advanced digital society in the world' and former US President Barack Obama remarked: 'I should have called the Estonians when we were setting up our health care website.' These are no exaggerations for Estonia, which includes some 1500 islands, several churches and castles but a population that is hardly religious, has a government that is totally 'virtual, blockchained and secure'. As much as 99% of services in the country are online and 100% of government data is stored on a blockchain ledger system. Healthcare, property, business, court systems, even official state announcements are digital. The country is years ahead of its time pioneering an e-residency program, believing that countries in future will compete for e-residents like companies for customers.

Today, Estonians can cast their votes using laptops and counter a traffic ticket from their homes using what is described as a 'ónce only policy'. Similarly, doctors can access medical data about their patients online and the patients do not have to explain their ailments. The system is based on a chip-ID card that every citizen has, which cuts down repetitive, long-winding and time-consuming processes and also provides digital access to all of the country's e-services. Virtually all bureaucratic processes can be done online. The country is saving over 1400 years of working time and 2% of GDP annually through its digitized public services.

E-ESTONIA IS THE BASIS

What is behind the accomplishment is a movement by the government called 'e-Estonia', aimed at facilitating citizen interactions with the state through the use of electronic solutions. e-Services created under this initiative include i-Voting, e-Tax Board, e-Business, e-Banking, e-Ticket, e-School, University via internet, the e-Governance Academy, as well as the release of several mobile applications. Estonia also declared that internet access is a human right, thus ensuring its spread into rural areas.

The country used blockchain technology in a highly successful way for this innovative digitization. Quite significant is the technology's use in applications for public interest. The country has proved that using blockchain in public interest ensured transparency, trust and privacy - the core elements desired by a citizen in the government.

The Estonian government had started its modernization drive right from the 1990s when the country gained independence from the Soviet Union. In the last 10 years, it is offering a wide array of services entirely through electronic means. One of the highly successful projects among the many is the 'Estonian e-Residency', which is a system of electronic residence accessible by any person in the world. The system allows for the creation of a unique digital identity; non-residents in the country can request a smartcard issued by the state, which gives them access to different e-Estonian public services that allows registration of companies online, sign documents digitally, exchange encrypted documents and report online to the business register and conduct online bank transfers.

USE OF KSI BLOCKCHAIN

The underlying technology of the digitization exercise is the KSI, or Keyless Signature Infrastructure, Blockchain, an industrial blockchain designed in Estonia by Guardtime and used to guarantee the integrity and security of registries, identities, transactions and data privacy of its users. The technology is different from mainstream blockchains, mainly on account of its scalability. Even large amounts of data can be covered with 'digital defence dust', since the parts of the dust (blocks) are connected to each other using a mathematically verifiable code that connects the blocks into a chain, which cannot be changed without leaving a trace behind.

Specifically, blockchain technology is used to enforce the integrity of government data and systems. Estonian Information Systems Authority (RIA) is an integral service provider for the government, guaranteeing the access to the blockchain network for the state agencies via the X-road infrastructure. Selected state registries backed by the blockchain technology are healthcare registry, property registry, business registry, succession registry, digital court system, surveillance and tracking information system, state gazette, etc.

X-ROAD ENVIRONMENT

However, what really paved the way for Estonia to become a digital country is X-Road, often described as a technological and organizational environment that enabled secure internet-based data exchange between information systems. X-Road is based on an interoperable ecosystem. The system for example facilitates a driver not to carry his driving license because a police officer, if he wants, can, via X-Road, make an inquiry from the database of the Road Administration whether that person has a valid license. The driver needs to present his/her personal identification document. X-Road also allows data to be automatically exchanged between countries.

With substantial investments in cybersecurity infrastructure, Estonia has extensive expertise in this area. While it takes 7 months on average to discover data breaches – with Estonian KSI Blockchain technology the breaches can be detected instantly.

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Efficiency & Security on the Digital Highway

Mr. V. Srinivasan, Founder & Chairman of eMudhra, advocates digital signatures as the next level of digital transformation:

For the last several years, banking has been evolving in India from physical operations to paperless mobile interactions in an increasing number of departments allowing customers to access relevant systems through multiple Digital Identification methodologies like user ID, password, secure tokens, digital signatures, etc. However, a lot of these processes still involve paperwork and signatures which often act as an impediment to the progress towards Digital Banking. When we further put this in context of the Bank's own back-end processes, one can imagine the magnitude of cost and efficiency savings that can be achieved, especially considering that an average bank may have anywhere from 300-700 forms that need signatures!

The value of leveraging digital signatures (or eSign) to go paperless has never hit home harder than during the past few months of lockdown. Mr. V. Srinivasan, Founder & Chairman of eMudhra, explains: "The global pandemic has taught us that going paperless is more than just being about efficiency and cost savings. It is a critical Business Continuity requirement that is instrumental in protecting enterprises from unforeseen scenarios like Covid 19. The good news is, technologies and legislations are already in place to propagate the progress towards a paperless society."

THE IMPETUS

The Information Technology Act of 2000 widely promoted the use of Digital Signature (and eSign) to replace physical signatures. While it has been in effect for 2 decades, a great amount of technological ease has been brought thanks to the progress of technology and the flexibility of the regulatory framework. Perhaps, this is the reason that adoption has been rapidly growing YoY over the past few years as compared to the previous decade.

Mr. V. Srinivasan observes that, the question is no longer whether 'Paperless' is needed or not, but rather, what will be the time frame for societal paperless transformation

The introduction of eSign, a remote signing solution that makes digital signing quick, easy, and efficient (1 or 2 step process) has been a critical catalyst for digital adoption in India. When you pair that with the flexible commercial models that are often transaction based for organizations, enterprise adoption was bound to rise.

While it is true that a lot of enterprises are actively going paperless, there are still quite a few banks that are behind the curve in promoting mobile and presence-less fulfilment of their various offerings. In the past few months however, we find more and more banks gradually adopting paperless technologies for client related documentation activities as a stepping stone into implementing a broader paperless strategy across the organization.

"Generally, we find paperless adoption in Banking to always start out to be more customer centric, with a special focus on SME & Corporate Banking. It's probably because it's a more addressable and manageable audience to drive initial adoption as compared to Retail Banking customer base, which is often quite sporadic and large." adds Mr. Srinivasan.

MUCH MORE THAN A SIGNATURE

The key element behind digital signatures (or eSign) lies in non-repudiation, which is in turn driven by the cryptographic 'behind-the-scenes' element that ensures Data Integrity, Identity of Signer & Confidentiality in a globally accepted manner. One can argue that digital signatures are often more secure than physical signatures where fraud identification is more reactive once the fraud has already occurred. "Digital Signatures are based on cryptographic keys that are uniquely assigned to and solely in control of an individual/ organization. Further, such keys are certified by a Certificate Authority who verifies the identity of the requester in a manner that is compliant with the laws of the country and establishes the identity of an individual with reasonably certainty," adds Mr. Srinivasan.

EASE OF USE

Remote Signing solutions like eSign have made digital signing, a very easy affair that anybody with a smartphone can do in seconds. eMudhra, as a Certificate Authority in India, a global trust service provider, and prominent global player in this space has been at the forefront of innovations on remote signing where some such innovations have resulted in awards from United Nations. Mr. Srinivasan adds: "10 years ago, applying for a digital signature was a cumbersome affair that required in-person visits and quite a bit of identity documentation. Today, it takes less than 2 minutes to apply for a signature, some of which, can be used instantly. eSign has further eased the process by removing the complexity of USB tokens that were typically used to sign thus enabling mobility with ease."

PROVIDING A SINGLE SOURCE OF TRUTH

Banks generally are quite evolved technological organizations by virtue of their scale and nature of operations. Needless to say, there are multiple disparate systems that process different workflows for different banking units. Quite often, in the midst of this large-scale chaotic IT ecosystem, it becomes difficult to maintain a **single source of truth** by centrally managing all signatures and corresponding audit trails. "We conceptualized emSigner to enable paperless transformation in multiple scenarios, either a standalone application in some cases, or as a complementary system to an existing application, or both. Sure, the application comes with a robust set of APIs and a Signer gateway for easy integration, but to me, the most important element of integration, is really the ability to derive and manage a single source of truth across the organization. The consequent liability mitigation is of significant value to large organizations."

CONCEPTUALIZING THE DIGITAL JOURNEY

Conceptualization of a digital framework and the paperless flow and ecosystem is often the hardest part. Further, there are many use cases where the digitization must transcend the organization itself and operate across a network of organizations to support inter-organizational workflows. Then, there are large scale government use cases that are often quite specific in the unique necessities required to enable a smooth UI/UX. "We find that organizations that spend more time with us on conceptualization often end up with a more simplified deployment, and generally simpler user-journeys. Conceptualization from multiple perspectives is key to arriving at a balance between what is feasible, what is secure, and what is easy," says Mr. Srinivasan.

EMSIGNER FOR CUSTOMER ONBOARDING

Getting new customers is perhaps the most important element and at the top of the mind for any management team. It goes without saying, the easier you make onboarding, the higher the chances of a customer completing the onboarding journey. Further, this often resonates in the market and results in increased market share, which is central to organizational growth. Customer onboarding however, is generally a touchy subject because it involves data privacy, residency, identity assurance, evidencing, and quite a few other factors, and I must add, rightfully so! Nobody would let a stranger in the house without taking some precaution. For enterprises, these precautions are often paired with compliance requirements and organizational policies. "At eMudhra, we've always adopted the 'customer first' principle. We realize that no two organizations are the same. Deployment preferences often vary, as does the roadmap, features, and other elements of the application. To the most part, whatever the customer preference is, whether they want to deploy on-premise or avail a cloud service, whether they require custom features or don't require all the existing features of the application, or even if they wish to consume our application only through integration, we support it all. This way, we ensure peace of mind for both parties," says Mr. Srinivasan.

PAPERLESS - IT'S BECOMING A NEED

The industry has in general seen a robust growth curve over the past few years. It's not different this year. In fact, the need for presence-less functioning has resulted in higher demand of applications that help promote the same. With the IT landscape already equipped to enable remote deliveries, location is also no longer an inhibiting factor to global scalability. "At eMudhra, we see 2020 as a pivotal year to the propagation of the paperless agenda where more organizations are starting to realize the value first-hand. The trend is being observed across industries and segments where we have a significant increase in lead-flow from across the world," says Mr. Srinivasan.

As we evolve as a society, it seems only logical that more things will go mobile and paperless and presence-less will become a competitive factor for organizations to offer convenience, efficiency, and mobility to their stakeholders. The question is no longer whether 'Paperless' is needed or not, but rather, what will be the time frame for societal paperless transformation.

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One Data Multiple Perspectives

Anand Bhatia
Chief Marketing Officer - Fino Payments Bank

Summary: Anand Bhatia, Chief Marketing Officer at Fino Payments Bank gives a brief insight on innovations that enhance customer experience and data driven technologies that help business in marketing campaigns.

Reset Ready: The Digital way

Deepak Sharma
Chief Digital officer, Kotak Ban

Kunal Kaul
Director Enterprise, CISCO

Summary: This video derives deep insights on how the demands and customer preferences are changing post the new normal and how are banks redefining their strategies to adhere to this.

Bahrain - among the top adopters of open banking

Bahrain, already a financial services hub, is in the process of adopting an open banking system:

The Kingdom of Bahrain has been known as a key player in the data revolution happening in the financial services domain and authorities in the country have been working closely with fintechs and startups to develop data-driven, transparent and secure banking model.

Bahrain was also the first country in the MENA region to launch a sandbox policy. Some 34 fintechs had applied under the sandbox and within a year, the Central Bank of Bahrain (CBB) granted full fledged operational license to 2 - Tarabut Gateway and Rain. These companies have now received operational licenses and among them Tarabut is working in the open banking area and Rain in crypto trading platform.

In consonance with the approach of creating an efficient and transparent banking system, the country is today among the top in pursuing open banking. While regulators want to have a competitive, robust banking infrastructure, they consider open banking as one pillar of a wider vision of digitization and of a paperless economy.

Bahrain has keenly studied the EU model of open banking and the CBB had given guidelines which put the customer rights and security as a primary focus; no customer data can be accessed by third parties without proper licensing and customer consent. In contrast to other jurisdictions, every bank in the country has had to open up their APIs. The CBB required banks to publish every piece of data they hold on a customer through these APIs. It had actually given banks 30 June 2019 as the deadline to comply and most of the banks have experimented with the system.

FIRST IN MENA

National Bank of Bahrain is the first bank in the whole of MENA region to launch open banking solutions in December 2019. The bank partnered with Tarabut Gateway for creating a technology platform for the purpose. The bank describes its service as 'Aggregator' service and it has invested heavily in the development of the necessary systems to meet and exceed the regulatory requirements. It has activated the first phase of its account aggregation services through its online app. The bank intends to roll out the full services in phases, with Account aggregation being the first. Initially, NBB's customers will be able to view and track their finances across all their accounts. Financial transactions and full-fledged services will be enabled subsequently. NBB expects that the Aggregation service will make banking more accessible and convenient for customers as they will have a holistic view of their finances, which will help them make instant transactions and informed decisions on competitive products and services at the click of a button.

The open banking framework adopted by the country is said to be almost similar to the European Union's PSD2 framework and is touted as 'technologically neutral'. The regulations stipulate that third party payment initiation service providers (PISPs) and account information service providers (AISPs) should be able to gain 'unhindered and efficient' access to bank customer accounts, with a view to those companies providing innovative new services to those customers in the country. Some of the examples of new services that open banking could provide for include new channels for internet payments without the use of credit cards/debit cards, the aggregation of account information from different providers, and proactive financial management and budgeting tools for users, according to the CBB.

LIKE PSD2

The new regulations put strong emphasis on customer authentication and common secure open standards of communication, which underpin the reforms provided for in the EU's PSD2. Like under PSD2,

National Bank of Bahrain

retail banks will need to ensure that they only provide access to customer accounts where customers give their consent. However, banks are required to provide a facility for new AISPs and PISPs to test their integration with the relevant interface - which in many cases will be a dedicated API. However, the regulations are silent on the timeframe on when this testing facility needs to be made available.

The regulations are, however, ahead of the EU's customer authentication standards as they incorporate three-factor authentication. Some experts say this could affect customer experience and may create friction.

TRANSFORMATIVE

Khalid Hamad, executive director of banking supervision at the CBB, is confident that open banking would be 'a transformative development within financial services in the Kingdom of Bahrain'. He adds that the concept of open banking is part of a larger 'disruption' that is taking place with increasing use of mobile devices, and the disruptions taking place in banking have been given a boost by the innovation taking place and the adoption of new technologies.

With some 400 financial institutions and most of them getting ready for the open banking experiment, Bahrain is rapidly progressing to become a financial services hub. The financial services sector is the second biggest sector contributing to the GDP after oil and energy and also the biggest employers in the country.

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Educating, Handholding, Digitizing

Motilal Oswal Financial Services has 360^0 strategy to tackle covid challenges:

Motilal Oswal Financial Services, while being a leading player in the financial services realm using cutting-edge technology, does not operate in the extremes of manual or digital. Rather it believes that best of both is needed by any client. In its business, advice is an important pillar and it matters even more in current times. According to the company's senior group vice president for Online Business & Product Development, Broking and Distribution Arun Chaudhry, the company's digital strategy works on the phygital model wherein it combines the best of human touch and technology to optimize the client experience. "A human touch always helps in dire times. This is where our model fits the best and the client gets best experience. We have used technology to the fullest and made sure our business is not only maintained but also scaled up," says he.

Arun Chaudhry explains how Motilal Oswal Financial Services combines the best of human touch and technology to optimize client experience

EDUCATING CLIENTS

As clients have more time at hand now in the midst of the pandemic, the company has used this opportunity to educate its clients and prospects about its offerings and the markets in general. "This is being done by organizing interactive webinars on a daily basis. Not only this, we make sure we send literature in the form of videos, easy to understand documents on our products so that clients become more comfortable with the digital aspects of equity markets and adopt it whole heartedly," says Chaudhry.

All its advisors are well connected through terminals and telephone lines mapped to their mobile phones and interaction with clients have increased and Chaudhry says this has helped the clients immensely in terms of support needed to manage the portfolios.

FROM PUSH TO PULL

The company is also very aggressive in terms of launching new products and constantly upgrading its systems to make sure the clients have the best possible experience irrespective of the means through which they transact. "If we speak about a stark change that is seen in the post lockdown phase," says Chaudhry, "we see that the clients contributing to the 'pull factor' in digital transactions. This earlier was a 'push factor' for using the digital offerings. This has given us an opportunity to make sure a larger set of clients has a flavour of our platforms and products and experience the same and get used to on a longer term basis."

Google Playstore has at least 13 mobile apps of the company. Their rating ranged from 2.9 to 4.8, with the number of downloads ranging from 500+ to 500K+. Its most popular app on the basis of downloads is MO Investor, with a rating of 3.9.

EMPOWERING DISTRIBUTION

All the new initiatives in the company are taken up keeping partners and their requirements in mind. Team empowerment comes first to the company and hence it has made sure that all its distributors / business partners / independent financial advisors (IFA) and internal teams are able to fully pitch its offerings and even subscribe to its services on the clients' behalf using secure means. On the sales front, it has enabled all its business partners and direct sales teams with 100% online acquisition means.

Says Chaudhry: "We are fully aware of the capabilities and needs of our partners across the country and each partner is given the same technology to onboard and service the customers in a 100% digital format. Our IFA channel also operates in completely digital mode and can run their entire profit and loss from one place with all data points, product literature and business review numbers digitally. Our 'Saathi' and 'UpperMOSt' applications are available over mobile, tabs and the web to open accounts and post that to monitor the business dynamics like clients traded, revenue, cross-sell opportunities etc. We have grown our sales numbers to all-time highs in March 2020 and this trend continues as we have moved into the new financial year."

The company's mobile applications have seen a nearly 50% jump in downloads in the post lockdown months with a similar trend seen in the digital transactions as well.

"When we acquire customers," says Chaudhry, "we also make sure that we start capturing data points on their behaviour and their engagement means with us. This forms the basis of using data driven insights in designing our client engagement campaigns."

AI DRIVEN MO GENIE

The company considers responding to customer queries quite important, especially during the volatile period. Chaudhry says the volume of customer queries has increased drastically now and the company's AI driven chat engine 'MO Genie' has been more than active now. "We have seen a nearly 60% jump in queries handled through this medium in the past 2 months. This shows that customer interaction has been unhampered and our service continues to deliver," he says, fully confident that the company plans to zoom ahead in spite of the current challenges.

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From transaction portals to financial solution innovations

SBI Mutual Fund aims to harness technology to create wholesome financial solutions that aid the customer in choosing the right product and asset mix:

Mutual fund industry has been adopting digital technology in a big way to bring in efficiencies of time and costs in transaction processing and customer servicing. The covid pandemic has only enhanced this process as people are forced to stay inside and digital is the only way to conduct business using online platforms.

SBI Mutual Fund is one institution that realized the importance of digitization quite early to be relevant in the customers' minds and to gain their confidence. "The adoption of technology and digitization over the past decade has helped us provide a secure and seamless experience to our investors," says R. S. Srinivas Jain, ED and chief marketing officer (Strategy and International Business), in the organization. "We understand that technology plays a pivotal role in managing the interaction and user experience across the marketing funnel from Awareness to Transaction to Retention," he adds.

He strongly believes that for the mutual fund industry, the digital revolution of the past decade has ensured that even while investors stay safe at home, their investment journey can continue in these challenging times of covid.

At SBI Mutual Fund, every customer journey, even the one that happens off-line, has been touched and influenced by a digital channel at some point along the way. At their end, customers have their own unique perspective on their experience and Jain says technology is helping the company to meet those expectations without physical interaction. "We have been pioneers in the use of the digital platforms to enhance customer engagement and are always working towards improving the customer experience", he says.

INVESTAP USAGE UP

The company has been using technology to ensure that it retains the same quality of customer experience that existed prior to the lockdown. Increasingly, its aim is to create a single gateway for all its customers' investment needs and activities. For any brand, the first online touchpoint for the customers is mostly the website and in more recent times, an app. Jain says in order to make the customer experience richer, the company constantly revisits existing content and improves features or add new ones based on customer needs. Over the past few years, the company's social media presence has also strengthened and has made it a reliable platform for customer engagement.

R. S. Srinivas Jain stresses on the importance of a digital platform for partners to aid investor interactions, onboarding and transactions

The company's website receives the highest traffic in the industry while its app has the largest number of downloads. The app, Investap, has seen increasing number of downloads in the last one year and it had already peaked in March 2020 when lockdown 1.0 was announced. It managed to maintain the same level of usage in April as well. Sales through the company's website started to see a rise and saw a 50% jump in April. "Overall, the contribution of digital assets to the total business has increased by 66% in the period between February and April 2020," reveals Jain.

DISTRIBUTORS, PARTNERS

Jain explains that the focus has been to drive higher technology adoption among the many distributors and sales personnel which also has worked very well for the company during the current times. "Over the last 2-3 years, we have developed a suite of digital assets for our partners as well as improved our digital infrastructure for our internal sales team. Providing a digital platform for partners to aid investor interactions, onboarding and transactions is pivotal to our digital strategy. In fact, solving our distributors' and partners' business problems was one of the first things we did," he elaborates.

The company has introduced a digital helpline number for distributors relying on physical transactions during the nationwide lockdown. They can call the company and share the details of clients and transactions. The company will share payment links with distributors through email, WhatsApp or SMS which they can forward to their clients to execute the transactions.

TECH PARTNERS

The key technology partners of SBI Mutual Fund are Allincall, Billdesk and Humanx. Allincall is invovled in managing the chatbots of the company, and according to Srinivas Jain, the company has deployed chatbots across its digital platforms such

as Whatsapp, Facebook, Google Assistant and Alexa. These bots are designed to manage all investment queries for both customers and distributors. The services include initiating a transactions, generating statements and portfolio valuations and calculating SIP returns among others.

The company also has a long-standing partnership with Billdesk for its online transactions. The partenership, says Srinivas Jain, has enabled the company to provide different payment modes such as internet banking, UPI and e-NACH to the investors.

The partnership with Humanx is in areas of strategic design consultancy. “We are working with Humanx on the overall design strategy and new design innovations to improve customers’ experience and enhance their overall digital journey,” says Srinivas Jain.

WHATSAPP FACILITY

Investors, who would have normally chosen an offline mode, are forced to go online during the pandemic. For such investors, SBI Mutual Fund has introduced a WhatsApp facility where investments are simply a text message away. Says Jain: “While the facility was already being tested in the pre-covid period, post the pandemic we have seen enthusiastic participation from investors through this facility. Investors can initiate SIP transactions, account statements and portfolio value requests, among others by simply sending a ‘Hi’ to our registered WhatsApp number.”

The company has also introduced a ‘SIP Pause’facility for those investors who are worried about market volatility and/ or are unable to meet their investment payments. They do not have to stop their investments altogether but can simply take a break from it for a period of 3 months.

WAY FORWARD

Jain is of the firm view that time has now come to differentiate the products of the company from the competition by focussing on financial solution einnovations using technology. “We are in the process of enhancing the design for our website, app and other digital assets to make way for higher customer engagement. Using digital platforms to stay with the customer in every step of the way in this financial journey will go a long way in establishing a loyal customer base for us, and the industry at large,” says he.

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Lenders & borrowers in hopeful anticipation

Lenders explain the current scenario and the new outlook:

Covid has changed the ways of the world and education is one sector that is adversely impacted by the outbreak of the pandemic and the ensuing pandemonium. It is still uncertain whether traditional models are changing for ever or it is just a temporary phase. Online just recently was the medium used by experienced professionals to upskill themselves, but today it is virtually the resort for mainstream educational institutions right from pre-primary classes.

With almost one third of the global population under a lockdown, the pandemic has caused serious economic impact all across the world. With movement totally restrained educational institutions are compelled to run online classes with the help of technology. While online is not new in several developed countries, institutions in India have not adopted this medium on a vast scale. But now they are forced to do so. Prashant Bhonsle, CEO - Student Loans & head – Marketing at InCred, says Indian families see high quality education as the bridge to prosperity and they want their children to go to campuses abroad for getting the best education possible. "There is also a structural reason for that: the sheer number of bright students coming out of Indian schools and undergraduate colleges is huge," says he.

He believes that it will exceedingly be difficult for Indian institutions to ramp up quickly to absorb all these talented students and give them quality infrastructure, pedagogy and diversified learning experience.

There are students who are apprehensive about travelling abroad, especially to countries like Italy, France and USA. In these circumstances, it is possible that an online plus offline (on campus) models will emerge quickly even as efforts are on to find out a cure or a vaccine for the coronavirus.

Prashant Bhonsle says InCred has sent out communications to all borrowers with details about their loan status and also set up e-helplines and appointed dedicated relationship managers

Students are awaiting clarity on the visa processes, employment, immigration laws and impact of the pandemic on sectors of their interest. Arijit Sanyal, MD & CEO at HDFC Credila Financial Services, explains the changes in the sector: "Many universities are opting to either start the session with online classes or choosing for a late start to the semester, depending on the lifting of the lockdown. As the decisions are still being made by universities, students are evaluating their choices of preferred destinations basis the multiple criteria that impact their decisions."

IMPACT ON DEMAND

As the impact of covid debilitating on all economies, students are generally hopeful and excited about taking admission offers and going ahead with their plans, but parents are more apprehensive about the well-being of their wards. Several colleges are not able to conduct exams, thereby forcing them to either reschedule the new sessions or defer it completely. Various universities are still trying hard to find innovative ways to ensure business as usual. Students planning to travel overseas are not able to do so because international travel has not yet resumed and there is uncertainty about visa laws and work permits.

Educational institutions in India too are also impacted by the lockdown and there have been delays in conducting examinations as also in conducting admission procedures. Prashant Bhonsle says it is possible that there will be relaxations soon. Until there is clarity about the lockdown and about universities resuming their activities, the demand for education loans will take a dip," says he.

Arijit Sanyal promotes online classes for the students: "Many universities are now proposing to start online classes and hybrid courses, and the fees payments for these courses would be due shortly. With cash crunch still prevailing and the impact on rupee depreciation caused by the pandemic, we expect higher number of people opting for education loans in the future."

REPAYMENTS OF EXISTING LOANS

Education loan is a unique asset class, structurally different from other loan categories because it has an inbuilt moratorium option for students while they study. During this moratorium, they must only pay a simple interest (relatively smaller amount than EMI) instead of the full EMI. There are also a grace periods

provided as part of the conditions allowing students to continue to pay only simple interest for one year after they finish the course or get a job, whichever is earlier. Additional moratorium given by the government has also helped these students and parents to manage their finances better.

Arijit Sanyal says while it is still too early to assess the impact of covid on the repayments of existing education loans, as of now HDFC Credila has not seen any stress or impact of the repayments of existing educations loans.

For InCred only 15% students and parents have requested for the special moratorium offered by RBI. Students who have completed the studies are servicing EMIs after getting jobs as most students seem to have their jobs intact and confident that they will continue to have their jobs.

Prashant Bhonsle predicts better opportunity for the science, technology, engineering and mathematics (STEM) students: "We are seeing that students who studied STEM courses and going abroad will continue to be in high demand as the supply of these workforce is much lesser than the acute demand for these professionals. Now, with the accelerating technology revolution, STEM students may have better opportunities than before," he says.

There will be potential increase in STEM careers as the pandemic has led to rise in digital initiatives.

IMPACTED SEGMENTS

Students planning to go abroad for higher studies are impacted also because of the uncertainties about the start dates of the Fall 2020 session. Yet, many students, especially those who got the admissions from universities earlier, are hopeful and are applying for loans, according to Prashant Bhonsle. He adds: "Demand for online courses have gone up exponentially for the short term and there is increase in demand for vocational courses."

Arijit Sanyal feels in the current scenario it is difficult to assess the impacted segments. He says universities colleges and relevant law-making bodies are still evaluating the situation and HDFC Credila is closely watching the market scenario and gauging the impact on all segments as the decisions unfold in the coming weeks.

OVERCOMING CHALLENGES

HDFC Credila has kept its operations open and has been encouraging aspiring students to apply online and continue the process of loan evaluation. The process has been made convenient and the company is encouraging students to use the time under lockdown to put together their papers and be ready with the finance before the admissions and visa process restarts. This will keep them better prepared and avoid last minute hassles and running around.

The company has also adapted its business operations to enable employees to work from home during the period of the lockdown. It is also advising its customers to use online and digital platforms to carry out transactions and it has enabled application process through its online platforms.

Arijit Sanyal says the company's relationship managers help the applicants in the process of submitting their applications using telephone and online conversations. "We strongly believe that students must use this time to evaluate their financial needs for further education and be well prepared with their loan sanctions when the admission process resumes," says he.

InCred is keeping its customers informed about latest regulatory guidelines pertaining to financial services. It has conducted webinars on education loans to help students understand the nitty-gritty of foreign education. Prashant Bhonsle says the company has sent out communications to all borrowers regarding the details about their loan status and things they should know. The company has also set up e-helplines and appointed dedicated relationship managers for education loans.

FUTURE PROSPECTS

InCred offers loans to educational institutions like schools, unsecured personal loans and loans to MSMEs. It will continue its focus on these products as well.

HDFC Credila is reviewing its services, processes and exploring ways to go more digital. Arijit Sanyal says the company feels the evaluation criteria may have to be reassessed for some applications in the light of new norms of admission, changed course structure, etc. Services like accepting online applications and educating customers about online platforms for ease of transactions are among some of the initiatives undertaken by company.

Companies like HDFC Credila and InCred are likely to focus on providing add on services like assistance in forex transactions and securing health and travel insurance for its student customers. They are also inviting experts from across the world to guide students through webinar platforms on the admission processes, new opportunities, relevant news and other information that can help them to make the right decisions.

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FYERS goes for the cloud

Implements zero-trust policies, VPN, VDI, multi-factor authentication and alerts to ensure security:

FYERS, the technology focused stock broking firm, offers seamless trading platforms to traders and investors across all major Indian exchanges. It has a strong community of traders and investors and is currently powering thousands of customers to trade seamlessly, across all major Indian exchanges.

FYERS had a business continuity plan (BCP) in place even before the onset of the covid lockdown. It implemented additional measures to ensure that its team could work from home without any challenges and disruptions. It also ensured that most of the internal applications which do not contain sensitive information are accessible securely over the web. According to Tejas Khoday, CEO and co-founder, access to critical applications, which contain sensitive information, is well protected and enabled only via VPN and Virtual Desktop Instances (VDIs). The company has also implemented zero-trust policies and access to VPN and VDIs are provided on an as-needed basis. There is centralized authentication for users of internal email, chat, voice and video communications, which have been enabled on the cloud. But, in order to ensure secured access to these applications, it has implemented policies such as multi-factor authentication and alerts in case of logins from a new device.

The company also use Google Chat, Google Meet and Slack for internal communications. It also has a significant edge in handling market data of exchanges, order execution and other such vital aspects that it believes define the future of the business.

Tejas Khoday outlines FYERS' plan to launch a brand new mobile app

WEB, MOBILE PLATFORM

The company's growth has primarily happened on the back of word of mouth referrals and micro influencers that tend to talk about the benefits of trading with its platform and highlight its features. It does not go after first-time users who have little or no idea about trading as of now. Says Khoday: "100% of our business happens online as clients prefer trading through our web and mobile platforms rather than calling us to place trades on their behalf. We don't have a digital strategy as such. We harness the close-knitted trading community online to increase awareness about capital markets via our blog, School of Stocks and forums. Of our 40,000 clients, many are already traders or inquisitive about trading."

ALGO TRADING

FYERS has recently tied up with leading data vendor, TrueData to offer preferred access to algo trading and reliable data feeds using integrated trading APIs. "This collaboration," says Khoday, "will create a comprehensive API for our retail clients. It will integrate our trading APIs with TrueData's market data APIs. Used with any programming language, the integrated API will enable traders to create and execute strategies while accessing real time data feed. The integrated API will be critical for the retail trading community who wish to automate their trades and algorithms."

To drive functionality, FYERS has also offered an integrated Python library, which could help developers at the beginner level to get started right away. While the trading API is free, the datafeed API is offered at a nominal rate.

"Having access to accurate real-time data is critical in trading since the smallest time disparity between a quote and the real-time situation can reverse a profit into loss. Many of our API users requested us to bring a better deal, in terms of datafeed, to our trading APIs. Therefore, we collaborated with TrueData to offer a real time data to our API users, who can create and execute their strategies and even automate trades if required. We have an entirely new backend, customized and hosted to serve very low latency datafeeds directly from NSE & MCX for indices, equities, futures and options. This is our second offering after the launch of TradingView Widgets that enhances market data tracking," says Khoday.

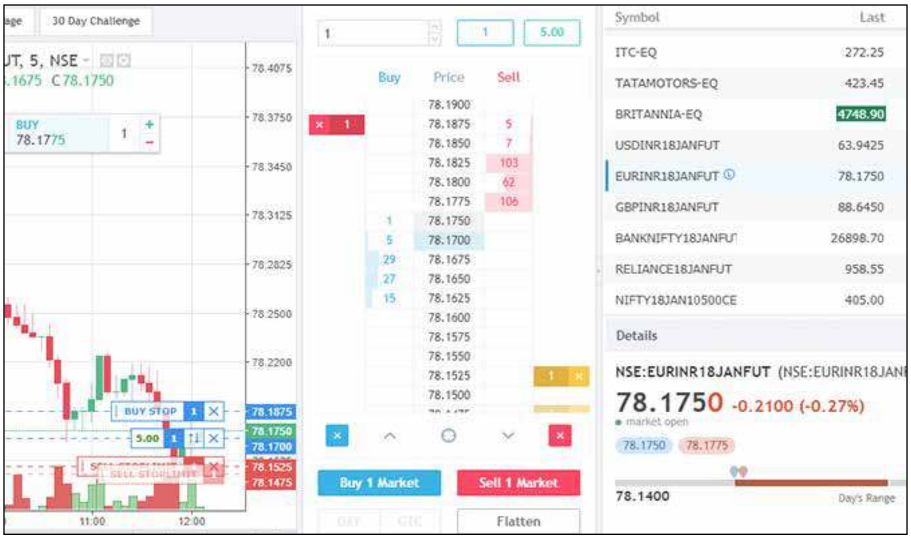
PARTNER IN ALGO TRADING

FYERS has recently partnered with TradeTron to make algo trading accessible to Indian retail traders. Tradetron.tech is a multi asset, multi-currency, multi exchange algo strategy marketplace, which allows people to create algo strategies using its state of the art, web based strategy builder. Tejas Khoday explains: "TradeTron has synergized to help simplify the experience without having to code anything and we've brought down the cost of algo trading to a large extent. The cost saving is in addition to our FYERS Trading API being completely free." The other main partners of FYERS include Money Bee

Institute, traderji.com, chittorgarh.com and Trader's Destination. Khoday says the partner initiative aims to increase the stock market participation rate in India and also build awareness and education about the market ecosystem.

ANALYTICS FOR CRM

Analytics has helped FYERS refine the trading experience by eliminating features and parts of its platform that are not being used. It has built a comprehensive support portal to help resolve queries faster. Khoday says the company has built its own CRM using open source software and thus it is able to customize it to its needs. It has inbuilt intelligence to help find what one is looking for.



FYERS' Price Ladder Trading is a game-changer for intraday traders! You can now visualize price action before punching orders

SOCIAL MEDIA

Khoday says the company's presence on social media is pretty good. So far, it never had a marketing department or budget so it relied on interacting with traders and investors on the web across various social media platforms. It also has not undertaken any major marketing and advertising campaigns yet. "In the current financial year, we are looking forward to launching our brand new mobile app. I'm really excited about it because it is particularly built keeping in mind the needs of active swing and day traders. Since we believe in organic and steady growth, we may continue with the same approach without many changes," he says.

FYERS uses a hybrid setup comprising physical infrastructure as well as public cloud. Khoday says cloud gives the ability to scale, based on the requirement rather than binding to physical infrastructure which is difficult to scale quickly. "We spend a significant portion of our revenues on IT infrastructure and technology," says he.

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Going digital with inhouse software

H.P. Singh, chairman and MD, Satin Creditcare Network, speaks about the recent technological breakthroughs the NBFC-MFI has achieved:

Satin Creditcare Network, one of India's leading NBFC-MFIs, offers income generation loans (IGL) to women entrepreneurs and product financing, providing opportunities to 3.6 million low-income clients. It also lends to MSMEs and offers housing finance through its subsidiaries. The company has a strong growing distribution network of more than 1300 branches spread across 22 states and union territories. Notable among its technology achievements is the integration of a robust Information Security Management System (ISMS) in its business processes.

OWN HRMS SUITE

One of the recent technology rollouts has been an in-house developed suite of Human Resources Management System (HRMS) - 'Satin ESS'. The company's chairman and MD H.P. Singh says the system has been built with the latest technology stack using concept of micro-services that makes it more agile, scalable and flexible, which leads to superior performance. We have developed both"a mobile application and a web application, which are available on Google Play Store (for Android users) and Apple App Store (for iPhone users). The system has features like attendance and branch visit, leave management, employee self-portal, reports, employee performance management, employee exit, HR admin portal, employee creation and confirmation and employee dashboard."

LMS FOR MSME BUSINESS

The company has also launched its own Learning Management System for MSMEs, which has a web portal for partner/ customer, lead generation module, credit bureau integration, customer psychometric evaluation, loan origination system, CRM analysis, underwriting and credit analysis, legal and technical evaluation workflow, loan processing and disbursement, digital e-NACH, SMS/email notifications on customer touch points and a fully integrated accounting module. The company added an eLearning module, which was developed during the lockdown. It has eLearning modules for all employees covering the behavior and functional aspects.

H.P. Singh indicates that Satin CreditCare is developing a feature in its current Customer Service Application for the clients to see their credit bureau score

ENHANCING APPLICATION

Satin Creditcare has ongoing enhancements in the current application landscape. It has a fortnightly release cycle and all the developments are in-house. Singh says the company deploys 2 releases in a month wherein all enhancements and new features developed are delivered. "On an average we have around 50-60 small/big feature enhancements each month. All these initiatives have helped us to save cost as well as improve our operational efficiency," he adds.

BETTER CONTROL, CONNECT

Satin Creditcare is not able leverage digital medium for client acquisition in view of the nature of its business, but it uses the medium in facilitating and enhancing customer experience. It is now focused on taking robust digital technology to the last mile as a strategic initiative. Singh explains: "The aim is to overcome the challenges of intense and growing competition, besides increasing productivity and reducing margins by creating a unique competitive advantage to boost profitability. Business transformation through digitization has powered a major leap in the company's journey to maximize the reach to the financially excluded population at the bottom of the pyramid and help them enhance their livelihood."

He also says information security and client confidentiality are part of the cornerstones of the company's strategic objectives. This approach also ensures that a high standard of security is maintained by employees supported by IT systems and processes throughout the organization.

Satin Creditcare is known to be a pioneer in bringing new initiatives in its systems and processes, which help in establishing better control and connect. Singh maintains that technology will continue to be at the helm of the company's operations. "Digital technology is not only robust and secure, it also makes several checks to mitigate or negate the risks of a fraud, leading to more transparency. Technology will be leveraged to enhance business effectiveness and impact," says Singh.

INSIGHTS FROM DASHBOARDS

Singh believes that the future of lending lies in leveraging innovative technologies that preclude human intervention. Its core state-of-the-art Loan Management System (LMS) product has been built with the latest technology stack making the product more agile, scalable and flexible. Its digital platform is completely online with real-time systems, which provide support to the end-to-end lending process. Singh claims this digital transformation has put the company ahead of the curve to better respond to the ever-changing business scenarios. The system used is equipped with comprehensive reporting capabilities, audit trails and logs, detailed information about loan histories, transaction reports, required decision-making reports and numerous management analysis and real-time dashboards. Furthermore, the company is also implementing Tableau, which will further enhance the analytics capability, which the company already has from the perspective of empowering the business wherein they analyze data with intuitive drag and drop insight.

Singh says these initiatives are helping the company reduce operational costs over a period and gain deeper insights through real-time dashboards. "It is also helping track business Key Performance Indicators (KPIs) every 2 minutes, thereby augmenting efficiencies. Investors as well as other stakeholders have responded positivity to this new technological transformation at Satin Creditcare," says he.

POST-LOAN SERVICES APP

Satin Creditcare recently launched a customer service application which is a one-stop solution for clients for all their post-loan services. Benchmarked against the best in the industry, the app comes with a clean, simple user interface, a design to deliver an excellent user experience and intuitive navigation.

Singh says with this application the clients can view and manage their active loans, make payments and download financial statements on-the-go, access information on closed loans and investments, view their statements and more, pay EMIs, part pre-pay or foreclose loans and access information on future payments through the app itself, receive notifications for upcoming EMIs / post collection digital confirmation and view pre-approved offers and get product information.

The company is also developing a feature in this application for the clients wherein they are able to see their credit bureau score and generate a detailed report.

MAJOR VENDORS

The core infrastructure of the company is hosted at Mumbai / Hyderabad. CtrlS is providing data center services, Dell server

/ storage hardware, Google GCP Cloud Platform for select application hosting and VMWare virtualization.

CAPEX, OPEX

Capital and operational expenditure is used to fuel the digital initiatives and the business growth in the company. "On an average, each year our capex is around ₹80 million and opex ₹85 million," says Singh.

The company has its own IT development center and all the technology initiatives are developed in-house. There is a 128-member strong IT team spread across India. Out of this, approximately 30% resources are in the IT software development team. iBall and Lenovo tablets have been provided to the 10,000+ workforce to smoothly facilitate collections and onboarding of new clients. It also uses an MDM on these devices which help it to monitor, manage, secure and control any activity on the tab through a centralized console.

SOCIAL MEDIA AS TOOL

Satin Creditcare does not need marketing through social media per se, since its business is a high touch model based on client connecting. Singh, however, says the company is using social media as a tool to interact with its internal as well as external stakeholders and share the latest updates in business.

POST COVID-19 PLANS

No doubt, technology and digitization have emerged as powerful drivers in the company for transforming business processes, enabling internal/external stakeholders with insightful information at the right time in order to make informed decisions, creating competitive advantages and elevating consumer experience. Singh says the company is focused on taking robust digital technology to the last mile as a strategic initiative. The aim is to overcome the challenges of intense and growing competition, besides increasing productivity and reducing margins by creating a unique competitive advantage to boost profitability. He claims business transformation through digitization has powered a major leap in the journey to maximize reach to the financially excluded population at the bottom of the pyramid and help them enhance their livelihood.

The Indian NBFC ecosystem is forced to take up major shifts in working practices and transforming the conventional industry into one beyond recognition, especially in the light of the aftereffects of the pandemic. Since the last few months, majority of the workforce has transitioned to working from home, extensively leveraging the already set cloud infrastructure services which were being used extensively by the users for collaboration and accessing of core applications. Says Singh: "We have also delivered many new technology initiatives during the lockdown period to support the changing dynamics of the business. Being a pioneer in cashless collection, we quickly launched the digital collections in the current lock down situation as well. Digital collections have seen a tremendous traction and scale."

Satin Creditcare's strategy towards digital technology initiative is driven by certain core principles. Singh outlines these: "These include replace legacy systems, establish strong process controls, enable workflows to lower costs through faster turnaround times and increased accuracy, have real-time view of business to improve the speed and accuracy of decision-making, optimize customer value through a holistic technology initiative, target customers with the right offers at the right time with the right channel to increase efficiency as well as productivity and enable centralized governance mechanism. Old technology slows innovation and decreases productivity, so our endeavor is to develop all such initiatives in-house.".

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3D Strategy: Digitization, Diversification & Data science

5paisa has a triple engine strategy to boost its velocity, and the results are showing:

5paisa.com is India's leading diversified online platform for financial products, including equity, debt, gold etc. It is also one of the largest discount brokers in India. Technology is crucial for the firm and at every level it leverages technology to drive change. Prakarsh Gagdani, CEO of the firm, says the firm uses technology continuously in tasks like improving a customers' account opening experience, or her ability in picking the right stocks to investing in and placing trades with absolute ease, or simplifying and automating processes for the employees and departments. In 2020, the company has launched several tools to provide a superior experience for investors while building a strong portfolio. Gagdani elaborates: "The portfolio analyser is a one of its kind tool that empowers an individual to track the performance of one's portfolio and compare it with the benchmark using the concept of an NAV similar to how mutual fund performances are tracked. This tool also enables the user to see the concentration of their portfolio across sectors and allows them to analyse every buy and sell decision taken by them to see if those decisions were successful."

With rapid growth and scale comes an impending need to prepare its servers and infrastructure for scale and a need for strong security measures to protect its systems and customer data. "We have spent a considerable amount of time and effort in building our applications for scale in the past year, by moving several processes to the cloud to support automated scaling to ensure high uptime for our customers," says Gagdani.

APP BASED MODEL

The whole business of 5paisa.com is through online sources as the model

Prakarsh Gagdani indicates that 5paisa.com's major focus now is guiding customers to get their issues resolved

is focused on an app-based approach. Gagdani says more than 80% of the business comes from through the mobile app and the rest through the web and desktop trading platforms. A search on Google Playstore showed 2 apps from the company. The trading app has a rating of 3.9 and over 1 million downloads. Their lending app has a rating of 3.3 and 1000+ downloads.

P2P LENDING PLATFORM

5paisa.com is also diversifying its offerings. In mid May 2020, it launched '5paisa Loans', a P2P lending platform, where one can lend from ₹500 to ₹5 million to multiple borrowers and earn interest as high as 36% per annum. Gagdani says the platform was launched at a time when borrowers like small businessmen and individuals do not have many avenues to borrow and many lenders have no opportunity to lend. "Our AI and tech driven credit underwriting portfolio approach of offering is unique in the industry. 5paisa Loans screen every borrower coming on our platform with more than 100 variable data points like age, location, earnings, previous loan history, social profile, expenditure, etc and present the information through a unified score for lenders to choose from. Therefore, rather than lending to an individual borrower, the platform enables lending to a portfolio of borrowers, thereby, reducing risk and diversifying investment."

GROWING CUSTOMER BASE

The company currently has over 550,000 customers as compared to about 190,000 last year. It has added 175,000 customers since March 2020. This year has also seen the launch of a power-packed subscription product that gives users several features and benefits worth more than ₹30,000 at just ₹499 and ₹999 a month. The plans offer discounted pricing in brokerage and demat charges and also allow a user to get top quality research tools and advice for near and long term trades.

"Öur customer base," says Gagdani, "having grown almost 3 times, has made it really important for us to scale up our infra at all levels. Our overall turnover at the exchange and our market share of trades have also gone up significantly in the past year. We have also invested in tabs that allow our employees to work remotely."

DISTRIBUTORS, AGENTS

Distributors and agents are an important source of acquiring clients for 5paisa.com. A significant amount of development has gone in to building a robust partner platform. Gagdani says the partners can add and service their leads with ease. The app allows partners to get visibility of the business they have generated with dashboards and reports. They can also assist their customers in the entire account opening process.

DATA SCIENCE TEAM

5paisa.com has a dedicated data science team. The team gathers all the data from application interactions to transactions to help the firm build better applications and also help in targeting the customers with the right communications that are relevant to their needs. Gagdani says the company has been able to leverage this data to also discover new business opportunities and grow them to scale. The team size is 100 and the members help the company develop new in-house technologies.

AUTOMATION OF MARKETING

The company has taken a lot of effort in automating marketing and in customizing its interactions with customers. This has been done through what is described as smart journeys, which essentially facilitate customers with the right information at the right time, providing them a smooth investing experience on the app.

Gagdani explains that with instructional communications, videos and GIFs served at the right time, the company has been able to assist customers when they need it most.

SOCIAL MEDIA CHANNELS

The company uses social media channels to increase brand awareness and customer engagement. “We have been greatly successful in doing this. We have managed to increase our Facebook followers 10-fold in the last couple of years while our Twitter followers have increased 6-fold, while our YouTube subscribers and our LinkedIn followers too have grown over 20 times in the last 2 years. The main factor driving the growth of all our channels is dynamic content,” says Gagdani.

He adds: It is a perfect mix of engaging posts, quiz sessions pertaining to investments and stock market, and content that educates investors like ‘Market Mantra’ and ‘5P School’ (initiatives to help new and pro investors to help understand market and various strategies from scratch). We also publish various blogs that cover trending topics and issues, as well as sector based research stories.

He emphasizes that this humongous success on social media platforms has also enormously increased the responsibilities. “Our customers come to voice concerns on these channels rather than using the formal format to get the issues resolved. So, tactfully managing the grievance is a major challenge. Our major focus now is guiding the customers to get their issues resolved as even a minuscule number of issues can greatly hamper brand image on social platforms and this becomes extremely critical for a company like ours that is completely digital,” he adds.

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Partners & Vendors

5paisa.com has directly tied up with several startups in the stock trading ecosystem and offers direct trading execution from their platforms by exposing open APIs to them that give clients a seamless experience on these platforms. Many of 5paisa.com’s application components are built and maintained by its partners. The company believes in focusing on areas that help it differentiate and add value. Prakarsh Gagdani explains: “Parts that are readily available are obtained and integrated into our overall offering. This helps us stay lean and offer the best features faster. We use a mix of Azure and Netmagic for hosting our infrastructure. Zoho is one of our key partners and we use many of its applications for our internal processes. Marketplace Technologies is another key partner that supports our back-office applications.”

WFH – Prevention is Better than Cure

Atul Joshi
VP-HR & Admn, Mahindra Finance

Sunil Wariar
CHRO, Future Generali General Insurance

Summary: Work from home (WFH) is a mixed blessing, and therefore a huge opportunity for HR to transform the organization and align with the new reality.

CRGB expands digital footprint

Plans to strengthen areas like audit, loan processing and asset management:

Chhattisgarh Rajya Gramin Bank serves the entire state with its 613 branches, which is the largest bank network in the state. Sponsored by the State Bank of India, the bank came into being in 2006 with the amalgamation of erstwhile Bilaspur-Raipur Kshetriya Gramin Bank, Bastar Kshetriya Gramin Bank and Raigarh Kshetriya Gramin Bank under the provisions of Regional Rural Banks Act 1976. The bank already has various channels like IMPS, UPI, NEFT, RTGS, AEPS, mobile ATMs, micro ATMs, etc, to cater to the needs of its approximately 8.5 million customer base. As of 2019-20 it has micro ATM (Green Channel) in all the branches. It set up server-less banking in branches thereby reducing issues related to hardware procurement and maintenance. The branches are connected using leased line / radio frequency (RF) and th4ere has been a massive broadband upgrade in 2019. Today, of the 613 branches, 422 have leased line/ RF connectivity and 390 of them have been upgraded with server-less banking facility. The bank expects to have this facility at all the branches by the end of this financial year. The branches are also equipped with appropriate power backup system (UPS) to overcome any unforeseen electricity disruptions.

MOBILE ATM, KIOSK PRINT

The bank has kiosk banking facility where customers can get their passbooks updated without any assistance of the bank staff. Besides, microATMs are there in all the branches besides ATMs at 3 key branches. In addition, to ensure banking facilities are available in remote villages, the bank has also introduced 3 mobile vans with ATMs. The bank is now proposing to implement a loan origination system (LOS) to help streamline credit processes.

IT TEAM

The bank has a 50-member IT team posted across various regional offices and head office. According to I.K. Gohil, chairman of the bank, this team is strategically supported by professionals from C-Edge,

I.K. Gohil hopes to introduce an AI-based technology to provide customized banking services for the benefit of customers

which is the hardware vendor for the bank. Heads of departments use Samsung Glaxy tabs for operational purposes.

The bank is using Microsoft's Office 365 and all heads of departments, regional managers and branch heads have access to Microsoft Team. "We have been able to conduct virtual meetings and conferences using this facility and this ensures that we fulfill the protocols during the Covid pandemic," says Gohil.

DIGITAL GAINS MOMENTUM

The bank has been giving priority for digital transactions and the total number of digital transactions has increased from 31.8 million in 2018-19 to 39.1 million in 2019-20, constituting 69.66% of total bank transactions. Gohil says the bank aims to achieve the target of 80% of digital transactions in FY 2020-21. He also reveals that mobile banking has seen a growth of 79.1%, UPI 185%, IMPS 91%, AEPS 57.9%, PoS/ECom 29.09%, DBT 10.05% and NEFT 6.75% in 2019-20 compared to the previous year. As the bank promoted digital mode of transactions especially during the Covid breakout, it could achieve a 93% increase in AEPS, UPI ands IMPS transaction amounts in April 2020 alone.

The bank offers facilities like complementary airport lounge access, insurance coverage, etc to holders of its RuPay Platinum cards. It has also introduced personalized cheque books and a mobile app, mTej, which gives 24x7 banking access to customers with all basic functionalities.

The bank has successfully disbursed the Covid relief funds to beneficiaries within the prescribed timelines. Says Gohil: "We are in the process of disbursing ₹3.03 billion during the 3-month period to some 2.1 million beneficiaries," says Gohil.

TRAINING STAFF & CUSTOMERS

The bank's IT department has conducted multiple trainings on C-KYC, AML-KYC and micro ATM for various regions and branches. Staff members of the department have also attended training sessions conducted by NPCI, NABARD, BIRD, etc, on topics covering reconciliation, cyber security and many more.

AI: CUSTOMIZED SERVICES

Gohil says the bank's IT infrastructure upgrade is guided by principles of data integrity and data security along with maintaining absolute secrecy of customer information. The bank, he says, is exploring ways to bring in artificial intelligence-based technology to provide customized banking services to its customers.

The bank has recently obtained a license for internet banking. The other initiatives are introducing green PIN, MAB BHIM Acquirer facility (QR code facility) and FASTag services besides Bharat Bill Payment System. It is also implementing OTMS, or Offsite Transaction Monitoring System, a web-based internal verification audit to replace the manual circle audit and IFAMS, or Integrated Fixed Asset Management System.

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TSCAB onboards 2 million customers in 3 years

Installs 2000 digital channel touchpoints across Telangana in a span of 2 years:

During the covid pandemic, Telangana State Cooperative Apex Bank has been continuously striving to support the entire rural cooperative institutions in Telangana by providing required guidance and additional liquidity support so that these institutions could extend finance to the needy rural farmers. The bank is leveraging its technological abilities to offer the benefits of digital financial inclusion to rural India. The bank's vision and commitment for financial inclusion of the people who are in the distance focus of banking and financial sector, says Dr Nethi Muralidhar, MD of the bank, are reflected in the multiple, large scale and the first in the country innovative programs.

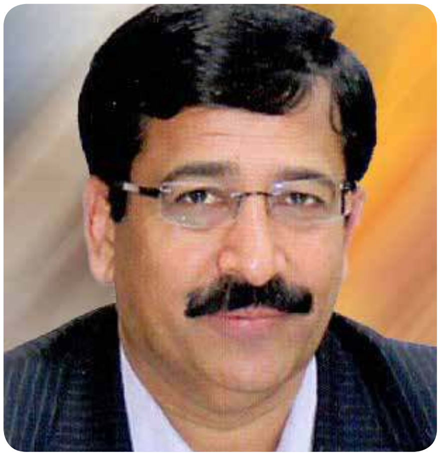
COOP ATM NETWORK

In the last 3 years, the bank has introduced new payment channels such as mobile banking, IMPS, AEPS, ATMs, micro ATMs and POS terminals. "We have installed 210 ATMs, 1150 micro-ATMs, 12 mobile ATMs and 1500 m-POS terminals, thereby creating approximately 2000 digital payment transaction channel touchpoints across interior rural areas of Telangana, where no other bank has a branch or an ATM. This initiative has made the bank as a reference example defining service expansion horizon of cooperative banks and being academically studied by other SCBs," says Muralidhar.

PACS COMPUTERIZATION

The central government has nominated Muralidhar as a member of 2 important committees – the National Implementation and Monitoring Committee and National Level Technology Committee - to oversee the computerization of primary agriculture cooperative societies (PACS) all over the country. Muralidhar says the project of computerization of PACS all over the country has a budgetary allocation of ₹19 billion. This project is being implemented through NABARD and is proposed to be completed in 3 years, he adds.

The bank has initiated computerization of PACS in Telangana, which is first of its kind in the country. Says Muralidhar: "After thorough validation, the government of Telangana has selected Intellect Informatics as the application service provider for the PACS computerization project. With a record timeline of completion of this project, bringing uniformity and transparency in a highly unorganized structure, this initiative has gained attention of many reputed national agencies and institutions such as Niti Aayog, NABARD, NAFSCOB, etc. Along with computerization, data integration with refinancing banks (DCCBs & SCB) is also achieved which is a significant achievement no other state in the country could successfully complete till date."



Nethi Muralidhar

He says micro ATMs and mobile ATMs are deployed in rural areas and display panels are attached to mobile demo ATMs to create awareness among and encourage the rural population to be a part of digital revolution. Besides, doorstep services are extended for onboarding new customers, creating new accounts and for ATM withdrawals. Besides, people can also make deposits and avail AEPS services using micro-ATMs. The bank also offers continuous training and capacity building measures to the staff of SCB, DCCBs and PACSs in technology and business perspectives using new digital channels.

MILLIONS OF CUSTOMERS

The bank has been able to onboard 2 million customers onto digital platforms in just 3 years. Says Muralidhar: "We have made it possible for 3 million PACS customers in Telangana to utilize the benefits of the mainstream banking and digital transaction channel facilities. Approximately 2000 digital channel touchpoints have been created across the state in 2 years. We have also issued 4 million debit and EMV cards. We are the first state cooperative bank in the country to undertake full scale computerization of all PACS, integrating them to the 3-tier structure."

TECH EXCELLENCE CENTRE

The bank has set up TSCAB Technology Excellence Centre to manage tasks like implementing core banking applications, setting up ATMs, mobile ATMS and micro-ATMS, digital channels, payment systems, transaction processing, IS audits, data center, disaster recovery center, communication networks, network security operations, digital channels and other technology and security related operations. It is the sponsor bank for CTS for all DCCBs and a few UCBs in the state. It has also introduced green pin facility for all the RuPay cards issued by it and the DCCBs. All the DCCBs and their branches have been provided with independent email services with their own domains.

Muralidhar says the bank has initiated the process to centralize all NPCI NFS operations under its sponsorship. The bank's state of art Cybersecurity Operations Centre (C-SOC) is providing services since October 2019 and besides its requirements, it is also catering to the needs of 9 DCCBs. The C-SOC has the capability to meet the requirements of at least 200 cooperative institutions.

DIGITAL SURGE: RURAL CLICKS

Muralidhar says the trends and analysis suggest that the rural population has significantly contributed to a surge of new customers, deposits and digital transactions. The bank's initiative has been extremely successful for a short period of time and doing fairly good since then. He feels banks need to form timely and necessary strategy to continue the momentum of financial inclusion so that the population distant from banking and financial services is brought under banking.

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