



THE PANDEMIC RESPONSE:

R.T.I.

The covid pandemic has made transformation mandatory. We find that the transformation is taking across 3 key dimensions: Restructuring, Technology and Innovation. Banking Frontiers spoke to Chief Operating Officers and Operations Heads of several BFSI organizations to delve deep into R, T and I, and unearthed several interesting insights.

Part 1

Pandemic nudges restructuring

For a sector that rarely sees restructuring, the pandemic has nudged a few changes

Covid has created exigencies that banks and financial services institutions could not just overlook. It required serious consideration and visible action. That means even changing the age-old practices that were ingrained and

difficult to change in a normal situation. It required a perception called 'new normal' to spur institutions to act fast and act decisively.

HOME – THE NEW WORKPLACE

Sachin Dutta, Chief Operating Officer at

Canara HSBC OBC Life Insurance, says that one of the major structural changes made by the company was to adapt to operating to the new normal of working from home where teams are not physically present under one roof but operating out of

remote locations. “The insurance lifecycle in India traditionally has been a face-to-face process set-up, slowly innovating and leveraging on technology in the pre-covid era. However, the widespread impact of the pandemic has led to fast paced reorientation of business strategies with rapid adoption of technology and some structural changes in organizational set-up.

The structural changes are still evolving and covid has provided flexibility and confidence to experiment and also get accustomed with the evolving model. At the end of it, we may come across the best-suited model that allows contactless approach, remote working and be relevant to the business.”

He says the company has also enabled its servicing workforce to handle customer requests/queries while working from remote locations. Additionally, there are teams being formed which continuously support remote operations. These support teams are majorly located within technology function, although process design teams and other support teams are also continuously engaging and challenging the status quo and identify newer ways of working, he adds.

Mahendar Chawla, Chief Operating Officer, Fincare Small Finance Bank, says the bank had proactively formed special covid committees at local, zonal and central levels for tracking, assisting and engaging employees. Focussed WhatsApp Groups got created to provide individual assistance and support for all covid-infected staff.

The bank also empanelled specialist doctors for covid-related calling to infected staff members.

STAFF RESTRUCTURING

At fintech platform MobiKwik, restructuring was handled at a different level. Upasana Taku, Co-Founder & COO, says that during covid, the company elevated its Business Head of Payments to CEO of Payments and built a stronger team around him hiring several folks at senior and mid-level such as Head of User Acquisition, Head of Merchant Acquisition and VP Engineering. In addition, it hired a CEO for its Payment Gateway subsidiary Zaakpay and significantly scaled up the



Sachin Dutta says that the insurer has inducted more sales support staff across India and is actively pursuing the decentralized model of providing support to the sales teams

Zaakpay team in all areas - engineering, product and business - to grow that business faster.

GOING STEADY

Shalini Warriar, Executive Director, Chief Operating Officer and Business Head - Retail, Federal Bank, says that when it comes to organizational structure, the bank had always believed in a lean and agile structure, which reflected the needs of the businesses and customers. The covid crisis per se did not require any changes in this structure, nor did it necessitate the formation of any special or new teams, she says.

She does agree that the pandemic has brought in key changes and explains: “We have been a pioneer in implementing the option of Work from Anywhere (WFA) for the employees. This is across all phases - lockdown, unlock or normal. We give our employees the choice to work from the comforts of home, or in a broader perspective - to work from anywhere. This facility, we believe, will boost the employee morale, save time and cost on travel, enable better work life balance and will eventually make employees self-motivated and self-

disciplined. This will also enable the organization to ensure uninterrupted service with a business continuity perspective.”

EMPLOYEE ONBOARDING

Similarly, a range of new capabilities have been introduced into the learning program. She gives one example of how the bank has turned the entire onboarding program into a virtual one. “We continue to hire new recruits during this period. In normal circumstances, the induction program would have been held in our Federal Knowledge and Development Centre. Now, we have gone completely on-line. However, the point to note is that we have not just taken our onsite program and made it online. That would be too boring for the new recruits. We have adopted an extensive gamut of new tools to make learning fun for these new recruits. Leader boards, quizzes, assignments, online cultural activities are just some examples of tools we are now using. The highlight of the induction program remains the hour-long interaction with our MD & CEO where the recruits get a chance to hear on the bank’s vision and strategy and follow that up with a range of questions on any topic.”

TILT TOWARDS DE-CENTRALIZATION

Restructuring also involves decentralization or centralization of various processes. It is interesting to see how financial institutions handled this aspect during the crisis. Federal Bank, says Shalini Warriar, started the journey on centralization in 2010 or so, and over the years, virtually all activities that are not necessarily required to be customer facing have been moved to a central location and turn the focus on ensuring that the customer facing staff in branches and relationship managers are empowered to handle all customer issues at the front end, while being provided extensive support from the centralized units like credit, operations, service quality etc. “This balance between centralized operational activities and decentralized customer facing activities ensures we are able to give the customers the best of both worlds - service where they need it, with the efficiency that centralization provided,” she says.

The bank also focused on enhancing the autonomy of its leaders in the field. They have been given higher empowerment to take crucial decisions that impact customers, on the spot where needed. They have also been technology-enabled to ensure they are able to take these decisions effectively.

“One example,” says Shalini Warriar, “is the launch of a capability called FedSwagat in June 2020. This capability allows customers to go online and book appointments for any transaction where they need to go to the branch. An option is also provided to book an appointment to meet the branch head, who gets a trigger when such an appointment is booked. This enables the branch head to reach out to the customer, understand the requirement and ensure full and complete resolution thereof.”

Sachin Dutta of Canara HSBC OBC Life says that as the company grows and inducts more sales support staff across India, it is actively pursuing the decentralized model of providing support to the sales teams which not only includes operations but also technology functions providing end user support. “We are continuously adapting and modifying our approach to have the best operating model while not losing the sight of what customer expects from us. We strongly believe a flexible operating model helps sustain a good customer experience. We have actively decentralized servicing where a more customized response may be required to be given to the customer. In addition to servicing, we are actively decentralizing end-user support from technology team perspective to improve the overall employee experience,” he adds.

“Before this new normal we had certain limitations of staff being hired for a particular location but covid has changed that by allowing businesses to operate remotely,” he says.

Atul of SBI GI mentions that with WFH and reduced mobility, a lot of management and oversight activity is carried out at local group levels; there is more empowerment, which in turn has led to increased responsibilities across levels.

Mahender Chawla, COO at Fincare Small Finance Bank, observes that on



Mahendar Chawla explains that the bank is moving to agile DevOps practices with automated CI/CD and moving to micro services-based architecture for key applications

the one hand, the pandemic led to a shift in work schedules, team alignment etc, while on the other hand it has led to decentralization of operational decision making to local teams. He also points out that customer, community and staff facing initiatives like customer connect programs, staff engagement, rewards & recognition and CSR activities became more decentralized in this phase while some functions such as risk, audit and compliance and strategic planning and initiatives remained centralized.

INFORMATION CENTRALIZATION

At SBI General Insurance, the one key activity that has been centralized is information dissemination, says Atul Deshpande. He explains: “Since many organizations have switched to remote working modes, effective, impactful, meaningful and engaging communication has become indispensable. In the initial phase of the covid-induced lockdown, people were more anxious and vulnerable and credible source of information was vital. Digital platforms enabled the leadership of organizations to get through

to all stakeholders and reassure them and help them with a way ahead.”

TILT TOWARDS OUTSOURCING

Have there been perceptible changes in policies with regard to outsourcing and insourcing in the post-covid scenario?

Atul Deshpande says there has not been any particular change in outsourcing patterns or responsibilities as such owing to covid. Ditto for Federal Bank. Shalini explains that Federal Bank has always used an optimal mix of insourced and outsourced resources taking into account the kind of activity and its impact on customers, risk management, costs and employee productivity. And covid has not triggered any change in the bank’s philosophy in this regard.

She points out that the bank has a fully-owned subsidiary - Federal Operations & Services (FedServ), which was conceived with the express objective of handling a range of regulatorily permitted activities, and during the covid period, this entity has focused on migrating various processes from the bank into its operating system. As an example, FedServ is now managing the bank’s contact center in Kerala.

At Canara HSBC OBC Life Insurance, outsourcing of day-to-day processes has always been the focus given the scalability and efficiency that comes with such a model. Sachin Dutta says the company is now in the process of further de-risking and outsourcing some of its key operational activities to an experienced and established service provider in order to leverage on that firm’s process expertise and technological capabilities. “This will further augment our strategic goal of an organization with processes that are Simpler, Faster & Smarter,” he says.

DIGITAL PERSONAL EQUITY

Atul Deshpande, Chief Operating Officer at SBI General Insurance, points out that while the insurance industry has largely been a relationship based, face to face interaction-oriented business, the pandemic caused this ecosystem to dramatically change overnight. Customers were used to face-to-face interactions with someone in an advisory role taking them through their insurance journey, but the

pandemic caused people to want the same services, remotely. “The challenge was for these channels then to capitalize on their personal equity, albeit digitally,” he says, adding: “Finding digital modes to stay in touch with customers, reassure them and help them with whatever was required was the priority.”

He lists the 3 key structural changes:

Shift to Work from Home: On the workspace front, getting people to accept that WFH has become the new normal was key. Shift from conventional workplaces to the virtual one needed to happen seamlessly without any impact on core operations or customer service levels.

Shift in focus on various distribution

channels: While traditional channels worked on establishing quick and digital mode of communication, the company also focussed on strengthening digital partnerships. With their domain expertise, greater reach and cost efficiency, these channels helped in deepening insurance penetration.

Changes in modes of operations: In terms of operational BAU, companies had to ensure that policy issuance, renewals, claims settlements, reporting and addressing customer queries were made digital/contactless with minimal snag. At SBI General, there has been a lot of thrust on digital renewals and a large chunk of renewals transitioned into that mode.

In a nutshell, the migration of customers from physical to digital has been the key change. Even the most traditionalist organizations have ramped up their digital infrastructures. The company had already embarked on the digital journey 2 years ago and hence most of the infrastructure was in place. The company has virtual relationship managers who support intermediaries when the physical RMs are unable to reach and meet them.

Overall, several structural changes have taken place, but the interesting thing is that none of the changes were dramatic. The BFSI organizations have strong capabilities to adjust to the new normal without any major structural changes.

Part 2

360 degree technology spread

Technology is creeping into every activity and making a difference

Both banks and financial services institutions and their customers were forced by the covid crisis to adopt digital processes and tools as branches and offices were closed and call centers became non-operational. The forced adoption of technologies on the other hand has helped the institutions in quicker decision making. It is the industry experts’ opinion in general that the enhanced adoption of the digital will impact the financial services sector in a major way. This may also enhance investment prospects in technology in future and migration to the cloud will be dream come true for many institutions.

DIGITIZATION SAVED THE DAY

Atul Deshpande out that it was an almost overnight shift for operations across industries to digital platforms. In SBI General Insurance, he says, the robust BCP and digital infrastructure helped the company to continue BAU and accomplish a seamless transition of all employees to the WFH mode, adopting a phygital approach for business channels, switch to process automations in most operational functions and much more. “Digitization also helped us in minimizing



Upasana Taku says that during covid, the company elevated its Business Head of Payments to CEO of Payments and built a stronger team around him hiring several folks at senior and mid-level

the impact on customer services during the

lockdown period,” he says.

Along with the constant proactive communication with channel partners, the company focused on converting the existing face-to-face personal equity with its channel partners to digital platforms. Robust digital infrastructure helped carry out business transactions through various modes like intermediary portals, micro-sites and full-scale digital integrations.

“The most important element in the non-life business operations is the actual issuance of policies for new as well renewal businesses. For us, our digital infrastructure readiness ensured operational BAU in terms of policy issuance and addressing customer queries; making it digital/contact less and seamless. Through the lockdown phase, there was a lot of thrust on renewals through online modes and a significant chunk of our renewals have now transitioned into that mode,” he says.

He also mentions that the company put to its capabilities of remote inspections and surveys to the best use. During the lockdown period, prospects were encouraged to make use of downloadable links to click and post photos of their vehicles for getting

instant quotes and acceptances. As soon as repairers opened their shops, the company deployed remote survey to the fullest to quickly assess vehicles and move ahead on settlements.

AUTOMATION & VIDEO

Shalini Warriar says that specifically during the covid period Federal Bank has launched a state-of-the-art video conferencing-based account opening process called VAO (pronounced WOW). In addition, in view of the fact that customers will not be able to meet their relationship managers, the bank has introduced a secure video conferencing capability called VMeet. The bank also automated the process for sanction and disbursement of loans relating to GECL (Guaranteed Emergency Credit Line) and this was done in record time after the scheme had been announced by the government.

“We have adopted Robotics Process Automation (RPA) to automate the back-office process and have created a centre of excellence in our operations department in this regard. Nearly 170 processes are now run using RPA and the beauty is that during the pandemic, we found an increase in the use of RPA. Robots, as we know, have the ability to work at any time of the day, without the risk of contracting the virus,” she says.

ENHANCING CX

Sachin Dutta of Canara HSBC OBC Life Insurance says the company has been consistently investing in technology to modernize the architecture and focus on digitization and automation. “We initiated adoption on micro-services architecture and have invested in analytics and digital space for analytical approach to reach out to the customer to further enhance customer experience. In addition, we also continued to strengthen our focus on security and controls by implementing tools for better monitoring of cyber security risks,” he says.

He lists some of the key projects implemented for modernizing the architecture and customer experience:

- API manager implementation for external and internal integration
- Virtual desktop infrastructure adoption enabling remote working for end users
- Enhanced web experience by



Shalini Warriar says that the bank has adopted an extensive gamut of new tools such as leader boards, quizzes, assignments and online cultural activities to make learning fun for new recruits

implementation of Adobe Experience Manager with mobile first approach leading to increased hit rate and reduction in drop rates for customers

- WhatsApp based customer support using chatbot capabilities, providing ‘always available’ servicing option to its customers
- Multilingual and enhanced IVRS for customer servicing has resulted in enhanced self-servicing
- Augmentation of online payment avenues for customers
- A new CRM and operations workflow system based on the new architecture

UPGRADATION

Mahender Chawla of Fincare Small Finance Bank says the bank had fully automated the periodic recon of all payment channels which is carried out multiple times in a day. Also, it carried out deeper integration between the core banking system and various other systems in order to avoid duplicate data entries, thereby saving precious human efforts.

He delves deeper: “Both the technology upgrades and the functionality upgrades are

constant journeys. On the technology front, we are moving to agile DevOps practices with automated CI/CD and moving to micro services-based architecture for our key applications. On the functionality front, our biggest focus would be on enhancing the customer experience at every touch point.”

He mentions about how the bank had successfully prevented shadow IT-silos getting created inside the organization. “This helps a great deal in ensuring technology governance. Any decision on new technology is carefully evaluated by a cross functional team and appropriate decisions are arrived after evaluating the pros and cons of each. One area where we have empowered the business teams is to fetch data driven insights and ad-hoc reports pertaining to their business through data lake,” he says.

Chawla is of the view that thanks to technologies like cloud, virtualization, SaaS, open source, etc, the processing power, storage, bandwidth, etc, are constantly becoming cheaper at the unit value. Due to their elastic provisioning capabilities, the wastage on account of hardware overcapacity or unused licenses has greatly reduced. On the other hand, the skilled resources on the newer technologies and machine learning capabilities are gradually becoming more and more expensive, he says.

LAUNCHING NEW PRODUCTS

Upasana Taku says MobiKwik as a consumer internet startup, considers product as its lifeblood and that the company is convinced that continuous improvement in the apps and platform is the only way to engage and retain its 100 million+ users. “For us, it’s always designing and launching new products, adding new features and optimizing existing products. We pride ourselves in being able to release new features every 15 days on our Android, iOS apps, our website and our backend stack. In 2020, one of the major products we launched was our first card - the ‘MobiKwik Blue American Express Card’. It provides amazing value to the Indian user in the form of ₹10,000 in credit limit and 1% SuperCash on purchases. Strategically, it increases MobiKwik’s ubiquity at point of sale and furthers our aspiration to become a digital credit card for 100 million Indians,” she says.

TECHNOLOGY, FUNCTIONALITY

Sachin Dutta sees technology strategy as a balanced mix on both technology and functionality upgradation. "We have invested in new age technology setup and transitioned from old monolithic setup to a futuristic micro services-based architecture, adopted new age technology for branch setup, like SDWAN. We made integration with our system simpler, reduced time-to-market for any modifications and made an easy-to-deal with technology architecture. This balanced approach ensures that our technology landscape is not only relevant from a 2021 viewpoint, but we continue to have an agile and scalable technology set-up which is future ready," he says.

Dutta reiterates that the company's focus remains to simplify the architecture and keep making it more resilient, secure and scalable. A right architecture is core to an organization riding on agile and design thinking framework, he says.

"Our customers and employees will see the benefits from it on a longer run as such capabilities come with their own maturity curves and learning. What is equally an important focus area for us is to upgrade our people skills to be able to contribute to the success of these emerging technologies and use them more to innovate and market leaders in customer experience," he adds.

INTELLIGENT AUTOMATION

The company is giving a lot of focus on intelligent automation and analytics driven set-up to derive maximum business benefit. It progressed in these areas over a period of time and it continues to enrich its capabilities while riding on AI/ ML driven set-up especially for its recently launched workflow and CRM applications.

According to Dutta, price is a factor of strategy that an organization adopts to use technology in an extensive and detailed way. Use of cloud and price for its usage is expected to normalize over the next few years, he says pointing out that some normalization has already happened but there is a scope for more. "Some of the organizations investing heavily in capex today may find it difficult to port and catch up during the phase when cloud will be the only operating model. Hence, it becomes



Atul Deshpande says the insurer is currently looking at SaaS and cloud technologies for further transformation, while also focusing on chatbots and RPA

important to have a well laid out medium to long term technology strategy keeping the business objective in mind," he says.

NOT A COMMODITY

He also reminds that technology no more is just another commodity, it is heavily a service led unit aiming to support agility that business demands. "Usage of open-source technologies may give a very strong challenge to the established technologies and heavy reliance on insurtech and fintech companies may lead to development costs going down over a period of time. Hence, the sector would experience a complete change over the next few years," he adds.

Shalini Warriar emphasizes that it is not a question of 'or' but a requirement of 'and' as both functionality and underlying architecture should continue to be focused on and upgraded. Federal Bank, she says, believes in that philosophy and ensures due balance between both aspects.

She points out that business and functional teams are the experts when it comes to understanding and articulating requirements. "The technology team provides the expertise on which technology stack is best placed to address the given requirements. The two work in conjunction

with each other to come up with the best solution for the customer. We are in the forefront of trying out new technologies through proofs of concepts, pilots and such other techniques. As an example, we were the first bank to have a blockchain-enabled remittance platform," she says.

EVOLVING TECHNOLOGIES

Shalini also underlines the fact that business requirements are evolving and along with that technology requirements are also evolving. "Our experience is that areas such as licenses for database, access to specialist middleware solutions and specialized hardware required for more sophisticated applications are becoming more expensive. Network bandwidth costs are coming down; however, we must see this in the context of the fact that the demand for bandwidth is increasing given the need to provide many more applications to our branches for them to meet customer requirements. For example, earlier a branch with 4-6 staff required a bandwidth of 512 kbps - 1 mbps; but now such a branch requires 1-2 mbps, due to the fact that more applications are now running in the same branch," she says.

NO INVESTMENT ENOUGH

For SBI General Insurance, technology is an area where no investment is enough, observes Atul Deshpande. "It is a fast-changing world. What is new today looks ages old tomorrow. We continue to be guided by a philosophy to bring best of the solutions to our customers and producers," he says.

With evolving customer dynamics and demands post covid-19, the company has been focusing on bringing in more agility and managing higher volume, in technology as well as in functionality. The website revamp, new product and service offerings, apps, analytics tools, use of AI etc, are part of the 2 key focus areas. "Our Click-2-Pay for seamless renewals, DIY for customer/producer servicing needs, OTP based consents, Tele-MER for health policy buyers, digital dispatch of policies, etc, are few additional examples that have given wow factor to our customers," he says.

He stresses that in the insurance industry, SBI General Insurance has always been at the forefront of technology usage

and deployment, with streamlined and standardized operations across the entire organization. “That was the reason we could seamlessly transition to WFH the moment lockdown was imposed. The paperless claim processing system, BI dashboard, advance analytics, etc, are standardized. Our digital strategy focuses on consumers and small businesses, and so is live streaming of OD claims. Currently, we are looking at

SaaS and cloud technologies for further transformation. We are also focusing on chatbots and RPAs,” he elaborates.

COST OF TRANSFORMATION

Deshpande maintains that the cost of digital transformation has gone up drastically in the last few years; however, it is important to note that going digital does not have to cost a lot. “The key is to plan and prioritize your digital

journey and choose the right technology partner. The cost of AI and IoT are definitely lower now than what they were 2 years back, yet the total cost of deploying AI has gone up owing to the multi-cloud services,” he says.

“Technology is not optional anymore; it is at the heart of survival for businesses worldwide; it is imperative to evaluate and choose the right processes and systems to digitize, and the right way,” he avers.

Part 3

Innovation Everywhere

Covid has forced institutions to innovate and depend on innovations:

When covid became a pandemic, there were predictions of doom for the economy. Now the crisis seems to have given way for a better and competitive environment for the economy to thrive with organizations compelled to adopt newer and efficient methods. And there is also reason to believe that the crisis has presented the industry with the opportunity to rapidly innovate.

For example, the pandemic forced institutions to adopt WFH almost overnight and introduce digital post-haste. In fact, the shaky outlook is actually providing banks and financial services institutions a rare opportunity to innovate and stay afloat.

INNOVATION BOUNDARYLESS

Shalini Warriar says innovation has no boundaries and honestly, it cannot be either unilaterally top down or bottom up. “An organization like ours is continually innovating and is looking for new ideas to implement. Ideas can come from customers, partners, suppliers, investors, regulators and of course, from employees. We do not, therefore, believe in any one approach. We have a complete open mind to innovation and encourage our employees, in particular, to keep throwing up new ideas for implementation – ideas that contribute to excellence in customer service, better management of risk, lower costs, higher employee productivity – all are welcome,” she says.

The bank, she says, uses Yammer,

a Microsoft product, for internal communications and in Yammer, there is a group called ‘Nayi Soch’. “As the name suggests, this group is all about new ideas, and we encourage our employees to post suggestions in that group. These could be suggestions based on customer feedback or anything that they believe would work in our market. We have a specialist team in our Service Quality Department, who picks up these ideas, evaluate feasibility and roll out solutions. This happens continuously, day after day, week after week. Our approach to innovation, therefore, is an open-door policy and we do not expect to change this materially in the coming days,” she says.

VERSUS DOMAIN EXPERTISE

She also insists that innovation has nothing to do with domain expertise. Even a customer can think about an innovation. “Innovation is a mindset like that of an entrepreneur or a startup. If the person with right domain expertise is able to innovate, he/she will be creating a fintech or a startup rather than being constrained to a specific domain. While I say this, it is also to be admitted that there is high propensity for people with domain expertise when subjected to tough situations to think innovatively or start the design thinking discussions. The strength in the domain will help the person to validate his innovation while for a non-domain person, he/she will need the support of a domain expert to validate his theories,” she says.

One needs to have the desire to create or visualize solutions for higher efficiency or productivity to become an innovator and innovation to an extent needs a business need, she says.

Shalini Warriar highlights how the bank has fully digitized its hiring process, which is completely AI-based and how it values the innovation quotient in recruits and preferences are given to people who are creative and innovative. “However, we are looking into the open market for partnerships, which we feel have the highest possibility of bringing innovation in our domain. “Today, banking is the back bone of the financial system and there are many partners connected to it. Most of the innovations today are happening to make customer interactions seamless and hence we may have to co-work with the market to bring those innovative pieces into our domain as well to complement the needs,” she argues.

BOTTOM UP, TOP DOWN

Sachin Dutta believes that bottom up innovation is driven primarily by ideas put forward by employees with focus on simplification of processes and to offer a superior customer experience emanating largely from the employees’ experience while managing day to day operations; as opposed, top down innovation stems mainly from vision and experience of the leadership team.

“At Canara HSBC OBC Life Insurance, we believe in a hybrid approach to derive

the best of both the strategies; since each approach has its strong benefits and we firmly believe in leveraging on best of both the worlds to drive our common organizational goals of Process, Partner and Customer Excellence,” he says

The company, he says, has adopted agile as well as design thinking as 2 frameworks to drive innovation across the board. “We have invested in more thought leaders and trainers who have delivered projects via these frameworks and more practitioners and followers are being created,” he says.

To the question on whether there is any co-relation between innovation and domain expertise, he responds: “This question reminds me of a quote from the visionary Steve Jobs: ‘The doers are the major thinkers. The people that really create the things that change an industry are both the thinker and doer in one person’. I firmly believe in this concept of learning by doing rather than innovation by doing, which is also a concept in Design Thinking and strongly encourage the teams to learn and innovate with fresh ideas on how to solve challenges they face in day to day operations or challenges they encounter for their customers. While domain expertise is a critical element but it also sometimes due to basic human psychology hinders one’s thought process to branch out to unexperienced avenues. Hence our focus is largely centred on a cohesive environment where an innovator can leverage on expertise of everyone in the team with diverse skillsets ranging from process, technology, ecosystem etc. to drive a culture of learning and innovation. Domain expertise and skill upgradation are critical constituents driving innovation.”

EMPLOYEES BEST ASSET

He explains that employees are the best assets and investment and as a company philosophy, Canara HSBC OBC Life Insurance encourages each one to invest in own and team’s development. “We operate in a strong culture of focus on people to ensure they have ample opportunities to learn and grow within the organization, primarily driven by our focus on employee empowerment, engagement and learning. As an organization, we ensure that each

employee especially in the fast-changing world has adequate opportunities of up-skilling themselves to keep abreast with the dynamics of ever-changing business landscape. We also encourage a culture and environment of ‘learning or innovation by doing’ to enhance the innovation quotient of our employees and also to ensure that hiring strategy is align to this critical organization goal, which focuses on nurturing innovators within and provide an environment of growth and innovation to new hires,” he says.

BOTH REQUIRED

Mahender Chawla is of the view that both the top-down and the bottoms-up innovations are required and any organization can never truly innovate without any one of them. Neither of them can sustain without a very sound and efficient open communication channel across the hierarchies and a culture of openness, he says.

He believes domain expertise comes naturally when one spends a long enough time in a given domain. However, there’s no surety of domain expertise bringing innovation. On the other hand, an innovative mindset can rapidly acquire domain expertise that is necessary. “For example, no players in the music industry could bring innovations that Apple could bring in, that changed the way we consume music,” he adds

At Fincare Small Finance Bank, we believe that innovation and domain expertise go hand-in-hand. “Today, there is extensive usage of cutting-edge applications to make HR practices more efficient and effective, including talent acquisition, onboarding, life cycle management, ongoing engagement etc. We have invested in such digital solutions that are user friendly as well as process automation-oriented,” he says.

The bank’s hiring process has strong emphasis on innovation, digital-first thinking for the relevant roles, Chawla says, adding this is built into the online assessment tool used by the bank in candidate evaluation. The bank is constantly expanding its digital and technology talent pool and the current team of nearly 150 professionals in Digital & IT team, reflects



diversity of investment made by the bank in this domain, he claims.

CREATIVITY, INNOVATION

Atul Deshpande says while innovation, for SBI General Insurance, started as a top-down approach, with the leadership team embracing it as a philosophy, the company gradually moved to a balance of top-down and bottom-up. “We have a great platform in the form of sandbox provided by the regulator for product innovation. We even invited ideas from employees across functions. Today, creativity and innovation are a part of our strategy, our thinking, our way of life, all thanks to the top-down approach. Yet, the ground level strokes of genius, the tiny innovations that have made life so much easier for us and all our stakeholders, the big and little ideas on enhancing our products and services, none of it would have been possible without a bottom-up approach. I expect this balance of strategy, policy and actual ground level thought innovation to continue in the years ahead as well,” he says

Deshpande does not think there is a direct or definite link between innovation and domain expertise. One can safely exist without the other, he believes, but hastens to add: “Yet, when the two combine, the quality of innovation, and the benefit thereof, multiply manifold. And it’s obvious why. If you have expert knowledge in the core area of your operations, you know where the gaps exist and where there is scope for improvement. That’s where you typically innovate.”

But he finds a plus in not being a domain expert. “Because then your mind is open to explore where or how to improve, to innovate; and then you are more likely to think of something nobody has ever thought of,” he articulates.

ravi@globalinfomart.com, mohan@bankingfrontiers.com