

Digital transformation demands deep thinking

Sachin Dutta, Chief Operating Officer, Canara HSBC Oriental Bank of Commerce Life Insurance and Rahul Chopra, Chief Digital Officer, Clix Capital, share the roadmap for their institutions in adopting digital transformation:

According to the BFSI industry experts, 2021 will witness the next wave of digital transformation on ease of business sourcing and leveraging ways to utilize analytics aggressively, to make propositions sharper and precise for the customer in line with customer's need, making risk management more effective. Another area that will witness rapid growth is the externalization of rule sets meaning the BFSI companies shall integrate better with external services and ride on various technological capabilities that the market has to offer. A lot of innovation will be driven in servicing which has a significant uptake during covid, but the servicing was less approached with complete digital agenda in mind and was more of a survival need during the pandemic.

Sachin Dutta, Chief Operating Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Co, says: "There is an opportunity to simplify and bring it at par with other financial products. There could be further adoption of bots, especially voice bots, in 2021 and customers getting familiar with these offerings. From an architecture standpoint, we could see more insurers moving towards adoption of microservices architecture and going for containerized setups thereby making changes more manageable, faster and scalable."

According to Rahul Chopra, Chief Digital Officer, Clix Capital, the year 2020 was hijacked by a global pandemic that is taking its toll on us, but there is one arena that is smiling bright – digital transformation.

He says digital transformation is no longer a 'should have' component, it is now an 'essential revolution' for organizations worldwide, no matter what size and segment they belong to. As 2020 is past and 2021 is in, digitization has shown certain eye-striking transformations, more so because of the pandemic, he adds.



Sachin Dutta see more insurers moving towards microservices to make changes more manageable, faster and scalable

"2021 is the year in which most businesses will invest in having a full-fledged digital presence. More than 30% of worldwide businesses will create digital divisions and 'buy' buttons will be everywhere," he elaborates.

ARCHITECTURE & DISCIPLINE

For the insurance industry, different drivers of technology are interrelated and interdependent and efficiency and experience have always been key priorities while all investments are made keeping in mind to robust architecture and backbone which ensures a bright future. Sachin agrees that there should be more similarity and commonality at the backend as diverse elements or components of the architecture could derail the efficiency agenda.

"It may not solve the experience agenda in the long term. While it may show some initial good results, managing this diverse

setup over time will lead to complexity and issues. But it will be a delight for vendors selling such propositions," he adds.

He also insists that understanding of architecture is critical and enforcing strict discipline in terms of what to be plugged in is important. "It is for this purpose that we have strong governance via the architecture review group that looks at making changes to core architecture that are more sustainable and insulates from frequent changes in the present or the future. Architectural alignment has cloud adoption as part of its core capability with a focus on multi-cloud strategy," he adds.

Rahul believes that cloud-first strategies will dominate digital growth. Every new digital division will embrace innovation through ecosystems. "And I expect a further 50% of enterprises to make cloud-centric transformation a priority, moving business-critical operational apps and all experience apps into the cloud. A key part of this strategy will be aligning internal and external resources, which organizations should do with a specific strategy in mind, like a customer or business outcome."

APPLICATION & APPROACHES

As users today expect a lightning-fast load time, high availability 24x7 and minimal disruptions on the user experience regardless of how many other people are trying to access the web content, Clix Capital is focusing on effective user interface and customer support, because, in case it fails to deliver to its users, customers will simply abandon the app for more scalable web applications that offer a better user experience.

According to Rahul, applications that require high scalability should be based on microservices architecture and enterprises can adapt to 'The hybrid Cloud Architecture'. A decentralized architecture is a must when building scalable web apps. Modern web development relies

heavily on microservices. The hybrid Cloud Architecture' separates applications into decentralized systems, loosely coupled components and lightweight protocols. Unlike monolith architecture, this approach allows one to develop, test, maintain and upgrade individual web services as separate modules without affecting the entire app or the workflow, says he.

He adds: "Hybrid cloud, as the name suggests, has been offering the right blend of public and private cloud offerings. It signifies a diverse computing, storage, and services environment comprising of on-premises infrastructure, private cloud services, and/or a public cloud."

He also maintains that enterprises have been benefitting heavily because of this hybrid nature of the cloud. Top tech giants like Google, Azure, AWS, Oracle, etc have been investing in this technology.

Applications that have a growing need for scalability must be assessed from a cloud deployment standpoint. As a part of its cloud adoption strategy, Canara HSBC OBC Life Insurance Co looks at such opportunities while balancing against the risk side of the equation and the architecture fitment or alignment. Cloud provides multi-fold benefits but in return it expects a certain level of scale or business growth to neutralize the efficiency equation.

Says Sachin: "It not only provides scalability but also ensures elasticity and resilience. On the other hand, applications that are not expected to be critical, do not have sensitive information, or have scalability as a key attribute, can be considered for on-premises deployment or subscribing to shared usage of such applications. Another radical thought is to see why such applications exist on management radar that does not need scalability."

He further added: "The approach on technology is must, at the end of the day, converge to how the end customer wants proposition or services and how much money is considered good enough to be spent under the heads of efficiency, scalability, availability, and security."

APPLICATIONS & AGILITY

Canara HSBC OBC Life Insurance Co has an architecture that is completely



Rahul Chopra is convinced about digital transformation as an 'essential revolution' for organizations worldwide

microservices-based and its back-end systems like workflow are designed to be either cloud or cloud-ready. The company's approach to technology is to keep it simple and not make it complex to manage.

Sachin provides details: "We have designed solutions on containerized setups thereby making these more manageable, scalable, and elastic. Unlike the market, it is not at all about overdoing in this space and making interventions which are sharp and can get better outcome rather than just being in headlines. We want to pass on technology benefits to our customers and make risk management more effective for us as we are in the business of underwriting mortality risk. Hence, using technology to balance this equation is a must."

Clix Capital uses the Agile development methodology to minimize risk such as bugs, cost overruns and changing requirements when adding new functionality. There are many different forms of the Agile development method, including Scrum, Crystal, Extreme Programming (XP), and Feature-driven Development (FDD).

According to Rahul to manage a project efficiently, one must choose the software development methodology that can work best for that project. The development

methodology can differ from company to company as different companies decide it based on their needs and budget. From all, Agile is one of the best methodologies, which helps in continuous improvements, says he.

Rahul shares the benefits of adopting the Agile technology: "The primary benefit of Agile software development is that it allows the software to be released in iterations. Iterative releases improve efficiency by allowing teams to find and fix defects and align expectations early on. They also allow users to realize software benefits earlier, with frequent incremental improvements. In microservice architecture like ours in Clix, Agile development methodology is core to any project management."

QUICK & COST-EFFECTIVE ADOPTION

Sachin believes that increasing cloud adoption depends on the maturity state of the organization and the level of legacy setups. The more legacy setups one deals with, the more difficult it will be to move things to the cloud. It cannot be a simple lift and shift, it requires an assessment of current architecture, some may require re-platforming, etc which would be time-consuming, costly, and complex.

He explains: "Nonetheless, any organization has to start from somewhere, and once on that journey, one starts to learn how to build and scale. If on the other hand, the end users for these applications are employees or company's staff, then using thin client solutions or conventional VPN setups can help to provide anytime, anywhere computing. The key consideration in both the options is the security supporting this solution. It all depends on who the end customer is for these applications and the solution has to cater to the needs of the end-user and keeping information secure."

Rahul foresees cloud computing as the future: "You can call it efficiency, or call it doing more with less. But whichever spin you prefer, cloud computing lets you focus on what is important. Cloud computing can be used for almost all types of applications. Our big data layer is cloud-based and it's easy to switch on, simple to expand and contract," he says.

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