

# Decoding the evolving DNA of BFSI

The BFSI sector has undergone a sea change in the last few months, and The Economic Times BFSI Leadership Exchange Summit 2017 devolved ways for denizens of the fraternity to work together for the betterment of the sector

India's rapid ascendance on the world stage has been fueled by a plethora of factors, such as its young population, low dependency rates, healthy savings, investment rates, etc. The Indian economy is currently the bright spot for investment in the global landscape, with the performance of the BFSI particularly garnering attention. The sector is currently valued at INR. 81 trillion and is likely to become the fifth largest in the world by year 2020 and third largest by year 2025.

Doubtlessly, increased in-

vestor awareness, stricter regulations and the introduction of positive measures will see opportunities aplenty come the way of the BFSI sector. Technology too will play



its role in pushing the envelope, and The Economic Times BFSI Leadership Exchange Summit 2017 helped decode the formula for success that will give the BFSI sector a shot in the arm.

## Poised to deliver digital disruption

**Rajesh Mirjankar, MD & CEO, Infrasoft Technologies** talks to us about how digital has changed the rules of the game

**How can banks leverage technology to reduce friction for the customer?**

Banks will need to leverage technology to offer contextual banking and reduce number of steps required to be performed by the customer to avail a service. This also includes reducing number of key strokes. Banks need to quickly adopt an Omni-channel approach to engage with customers with common process & content orchestration. In addition to this, over a period of time banks will need to use Machine Learning, Artificial Intelligence and Natural Language Generation to significantly improve the engagement with customers such as intuitive and personalized responses based on customer profiles or classification of common queries.



Banks usually have disparate systems for various back office tasks to manage the lifecycle of a customer transaction or account. The data is entered manually in these systems to fulfil the standard operating procedures for the workflow.

action or account. The data is entered manually in these systems to fulfil the standard operating procedures for the workflow. This is not a sustainable and scalable system since the volume of data and number of back office systems are ever increasing in the digital world. Therefore, financial institutions need to redefine the way back office processes have been run.

**How can Financial Institutions Drive Innovation for the back office with Robotics and Artificial Intelligence?**

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### EXPERTS SPEAK



Awareness, simplicity in product design and efficient service delivery using technology will facilitate inclusion of hitherto uninsured and underinsured Indian population. It is for the companies to build stronger customer relationships and create more trust and ease in the claims process. The area of financial security for both living too long and dying too early can be given further impetus through appropriate behaviour changing incentives to customers as well as providers.

**Rajesh Sud**  
EXECUTIVE VICE CHAIRMAN & MANAGING DIRECTOR,  
MAX LIFE INSURANCE



Technology while providing a disruptive edge is also about enabling the current workforce and nurturing a culture of change. It's important to create a business climate that allows one to try new things, fail fast, learn fast and keep improving.

**VIGNESH SHAHANE**  
CEO, IDBI FEDERAL LIFE  
INSURANCE



Technology is the key to Digital Transformation, which is the need of the hour. A robust security architecture, a deep rooted and reliable network architecture, robotics and Artificial Intelligence are the key requirements for such transformation, which will completely change the BFSI landscape in the years to come.

**M A KHAN**  
MD & CEO, IDBI INTECH



Digital is democratic for empowering people and enabling services to deliver enhanced customer experience. Hence enterprises must include the digital dimension in their growth plans. Increasingly customers are opting for digital mode to address every need. And services in digital mode reach out to more number of people. So businesses too should be reaching out to them, using digital.

**PROMOTH MANGHAT**  
CEO, UAE EXCHANGE GROUP



With the many new innovations and directions that the BFSI Industry is taking, whether in terms of new ways of working, financial inclusion moving to digital ways of transaction, the space is a dynamic and fascinating one. This movement has spawned synergies that at some point will bring together everybody onto a platform of both inclusion and access.

**RATNA VISWANATHAN**  
CEO, MFN



The Motor Vehicles Act makes it mandatory for all vehicles to have a TP insurance to protect against accidents and damage to Third Party. PMJJBY was launched with a premium of 330 for 2 lacs cover, which is a negative margin product, that has absolutely no scope for misselling to the customer. There has been limited new enrollments beyond the year of launch. In order to enhance awareness of risk management and promote life insurance as a personal risk mitigation tool, the Government may consider a built in cover with every Jan Dhan Yojana account, with an opt-out option to the customer.

**RM VISHAKHA**  
MD & CEO, INDIAFIRST LIFE INSURANCE

## Investors brainstorming the way ahead for BFSI

An investors meet at the Summit highlighted the over-arching trends in the BFSI sector

Great things happen when great minds converge, and a high-powered investor meeting on the sidelines of the Summit saw experts bring a plethora of topics into sharp focus, such as the need for rethinking the approach to affordable housing and increasing access to channels of finance. The potential of India's affordable housing market, valued at an estimated Rs. 9.7 trillion, is enormous but throttled by supply and regulatory constraints. Alternative sources of funding too are gaining in popularity, and much food for thought arose from the discussions that ensued.

### KEY TAKEAWAYS



Areas that need to be focused on for financing are Real Estate, SMEs & MSMEs, with alternate financing option explored for these sectors



There is a need to focus and invest in affordable housing



Builder funding is highly under-served, but RBI needs to relax norms for the same to flourish



Crowdsourced, P2P and social financing is on the rise, but should be regulated



The gap in financing for construction also needs to be addressed