



# The Web that

**I**T'S a typical sweltering Mumbai morning as Srinivasan Ganesh, a mid-level executive at ICICI Ltd, boards the company bus that will transport him from Khandivili, a Mumbai suburb, to ICICI's gleaming glass and granite corporate office in the sprawling Bandra-Kurla complex, a new development that has seen many top organisations relocate their offices from uptown Nariman Point and Churchgate.

It's 8.45 a.m. when the bus arrives at ICICI's formidable corporate headquarters, already shimmering in the morning

heat. ICICI-ians are hotfooting it to their desks, plunging through a cavernous reception area - it can take a 1,000 people all at once - reverberating to the sound of water falling on granite surfaces in four corners. No chairs here to lounge on, mind you, it's all businesslike. Srinivasan pauses for a second to soak in the roar of the artificial waterfall and it's breakfast at the cafeteria, on the double, before he's at his desk on the eighth floor, punching his computer on. He has to plan his travel schedule for the next couple of days. There are important client

Erstwhile term-lender ICICI Ltd is moving fast to emerge at the forefront of Web-enabled organisations.



# ICICI spins

Vinay Kamath

meetings in Chennai, those that he handles as part of the Major Client Group of ICICI.

Swiftly on his computer, Srinivasan logs onto ICICI's intranet and finds his way to the travel section. A click gives him the travel schedule of all the flights to Chennai and back. He quickly makes his programme on a pop-up form, and forwards it to his boss, who, in turn, will approve it and send it to the travel desk which liaises with the travel agency. The tickets will be on Srinivasan's desk by the evening. At any given time, at least

100 ICICI executives are criss-crossing the country and are also using the intranet travel portal, points out A.T. Kusre, General Manager, Personnel.

11.30 a.m.: Srinivasan suddenly remembers that he needs to be in Chennai to pick his mother up. He enters his password and his leave position is on the screen - how many days leave he's availed of this year and how many more to go. After quickly scanning it, he keys in his leave requirement on an on-screen form and it's forwarded to his senior, who, in turn, scrutinises it and, once cleared, it's forwarded to personnel. No calls to be made to check his leave position, no forms to be signed and hand delivered to the HR dept. No absent leave clerks to contend with.

1.00 p.m.: It's lunch and Srinivasan is hungry. "Wonder what's on, today," he thinks aloud, and checks the 'canteen on the Net', where the week's menu is laid out for both the regular cafeteria as well as the cafe in the courtyard with the skylight. A light fruit lunch is dished out here. ICICI-ians can give their comments and suggestions on the food served. At least 1,000 people work in this mammoth building and the ICICI top brass believe that it's important that they are happy with the food being served - the interface can happen via the Intranet.

Srinivasan opts for the regular meal. The cafeteria is now milling with hungry people who queue up to collect their trays. No doling out coupons or cash here. All staff carry a coded identity card which is flashed on a small gadget and the amount punched in. Meal records in personnel are automatically updated and adjusted against salary the following month.



*If ICICI is to transform itself into a Web-enabled corporation, it's realised that the change begins at home.*



Paul Noronha

# 'The Net has brought a seminal change'



ICICI Managing Director, K.V. Kamath

*To say that K.V. Kamath, the Managing Director of ICICI Ltd, is a man in a hurry would be a gross understatement. If he had his way, ICICI would have been a Web-enabled corporation yesterday. "Things are changing so fast that you find that in this space, one-and-a-half months is like 15 years," he says. ICICI executives acknowledge that it is Kamath's vision that is the driving force for the metamorphosis of the organisation from a corporate term-lending institution to a powerful, savvy player in a whole host of services ranging from consumer and housing finance to Web trading and Net-enabled services. In an interview to Praxis, Kamath talks about the transformation in the organisation and the dynamics of the Net economy. Excerpts:*

## **On the Net business strategy**

There are two parts to the business we are looking at. One is the e-part and the other is the tech part, the latter is looked after by ICICI infotech while e.com is looked after by the e.com group. The third area is the strategy group. They are involved when issues of strategy come up. The fourth part really is the oper-

ating group or line group which has to use the idea in their business. We believe that unless they are involved, all ventures will fail or not take off at the speed they should.

So, the strategy group does the road mapping in terms of ideas, the operating group bounces ideas off them, e.com group acts as a gate to allow initiatives to go forward or not; sometimes there are multiple ideas, multiple initiatives, so they screen them and then quickly build up the wheel of knowledge in that business. This is a business where you need partnerships, where you need quick roll-out skills, because if every disparate group were to try and institutionalise it, it is going to land in trouble.

## **On organisational structures for being e-ready**

In the context of e-readiness, we believe you should have structures which are non-traditional in place. What I've described is non-traditional. Traditional structures would be more hierarchical, with more line responsibilities. Here you bring four-five constituents together and see where some skill institutionalising can take place; we are bringing user groups into the process who can take ownership if necessary. This is one unique requirement of e-readiness.

There are two or three other criteria. One will be the ability to woo people to this business. You will need a competent pool which can be redeployed as opportunities arise; we have to implement projects in 90 days. ICICI is blessed because we have a large pool of people. Third, you need funds to invest, not too much, but the amount necessary to put it to product use very quickly.

Finally, you have to execute at speed; we have defined it as 90 days and we're meeting that regularly, and we're planning to reduce it to 60 days - from concept to market. But, we need the flexibility to change speed mid-way. In this business, platforms are changing very quickly, we need to move rapidly. These are the essential ingredients for doing e.comm, starting from speed, financial capital, human capital as variables, and organisational structures which are brought to play to address this.

One other ingredient is knowledge, as to what is happening in the whole space. We encourage relevant people, from the CEO down, to build this knowledge by interacting with people. For example, at my level, I devote around 10 days in a year to programmes and seminars in this business. Things are changing so fast, you find that in this space,

one-and-a-half months is like 15 years. This really prepares ICICI to mount its e.com initiatives differently from other organisations.

### **On e-readiness of organisations**

Typically, what we - and a lot of large organisations globally - have been used to is when you want to get into a project, you appoint a project consultant, then you vet the project report and then you don't know how to go about it. This approach works in the old economy where you measure time in multiple years, not when you measure it in multiple weeks. The first question for e.readiness is are you mentally geared to do e.com? My answer is that most companies in India aren't. They are not ready to adopt this sort of approach to e.investing or e.initiatives. Each company has to make its own assessment and see.

### **On acceptance of ideas within the organisation**

The acceptance of ideas within the organisation is high as the mix of people is different from most other organisation. We have a core of young professionals - 400 to 500 - with an average age of 30, where it is easier to introduce new ideas than traditional organisations. This is the first point that differentiates ICICI. Secondly, it's not as hierarchy bound as other organisations; thirdly bureaucracy is rather absent; fourthly we run a meritocracy, whether people like it or not that's the way we do business.

So, idea generation and structural changes are encouraged. In the last four years, we would have had at least one complete structural change in ICICI. Typical organisations would have had one in 10 years without a change.

People are quite willing to accept that in ICICI there is going to be change and we are all part of that change. And, there is a clear-cut articulation of what change is going to come and what we said has come true, so that lends more credence or credibility to the process of change.

That's one of the reasons you find that several organisations cannot implement change because people are not sure what is going to happen. We can now see whatever steps we took have all worked out, so there is a greater readiness to accept change.

### **On retaining talent**

ICICI has always faced challenges in terms of losing people; it was first to merchant bankers and product specialists, now it is to dot.coms and e.coms. It's a phase, turnover has not been frightening, I can say

inflow of talent has been more than outflow; it allows you to cleanse the organisation, I'm not worried; i've had no turnover at senior levels which would cause me sleepless nights.

### **On backroom integration**

Three years ago, I was mortally afraid of the ability to handle numbers. We had a good test case when three years ago, we had half-a-million shareholders who we were not handling well at all. We cleaned that up, made it a completely paperless operation, then we started ramping up our retail bond holders, then that became a 3 million number, and handling 3.5 million people with a dedicated backroom operations. After that, backroom stopped frightening us; we had the ability to crunch large numbers. We probably have the most state-of-the-art backroom in terms of tech processes, the biggest machines.

### **On the vision for ICICI**

For the group we've articulated it as a universal bank for which we will look for the most ideal structure, given the regulatory framework. Today, we are in a position to offer all the products a universal bank can, except what we can't enter, and we're doing it in a structure where it is transparent. As you go along, if there are more friendlier structures, we will adopt; otherwise, I am willing to continue with existing structures, but leveraging technologies to the fullest and also leveraging group synergies.

### **On whether organisations can cope with change**

This is a seminal change; this is the first time that most of us are facing a discontinuity in the business we are in. I think there's a serious discontinuity that technology has created. I don't think this change has happened, at least in the banking business, for the last 100 years. Mild changes took place when computers came in, they were mild compared to this, but banking has remained the same. Take Indian banking - the ledger-based banking system would have been put in place 100 years ago; degrees of modernisation, including computerisation, has been absorbed. But, this is now cataclysmic. Similarly, branch-based banking system is also 100 years old; now, it's a completely different paradigm in terms of delivery channels. This kind of change happens once in 100 years or so. ■

5.30 p.m.: The day is wearing to an end and Srinivasan is almost through. He needs to check on the car loan he is planning to ask for. No problem, he doesn't need to call anybody. As Nachiket Mor, Senior General Manager, says, your entire life is before you, on screen. The ICICI system, which allows even staffers from all remote centres to log on and check their histories, allows all the employees online access to their

- all the things an employee needs to know, keep track of, or use it in any way," says Kusre. In fact, ICICI takes pride in the knowledge that it has one of the best corporate intranets going.

If ICICI is taking a lead in the corporate sector in transforming itself into a Web-enabled corporation, it's realised that the change begins at home. The logic is that only if the organisation itself is Web-savvy internally can its interface with the outside world be more focused. Several hundred executives of ICICI around the country are on the Intranet and it serves as a good test case for ICICI to work the system before a public interface. "We are an internal large audience of upper middle class people who are using the Net. We even have a shopping mall on the Net, and now even hotels are giving us discounts and we can book direct with them," says Mor. An example again of the several initiatives that ICICI has undertaken internally before embarking on its B2C portal drive.

That the Web will play a key role in all future initiatives that ICICI undertakes has much to do with the vision that Managing Director K.V. Kamath has laid out for the organisation, till recently a term-lending institution that dealt largely with corporates. The Web, Kamath passionately believes, is changing the way business is being done. "This is a seminal change; this is the first time that most of us are facing a discontinuity in the business we are in," he says (see accompanying interview).

Adds Mor, "The Internet has become central to our plans; we don't see the Net as just a tool, we see this as a fundamentally new way to do business."

### **The Web proposition**

ICICI's Web foray has three prongs to it. One is to take its existing businesses and see how it can move to offer these businesses in a fundamentally value-added way for its existing customers; the second is to develop new propositions which is possible only because the Web has come into existence. The third, as Mor, who's done much of the

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records - salary details, eligibility, loans taken so far, how much is outstanding, the provident fund position - all that one needs to know from the HR department. "All those things which one had to do earlier physically, they can now do it online; this is routine work being made easy," says Kusre. Adds Mor, "There is no need for human interface to avail of any of the benefits that the administration exercises."

The six-month-old system is being used extensively and is beneficial because of ICICI's multi-location offices. Why, even the VRS which the company offered last December was administered totally online, says Kusre. The online programme gave details of the financial implications of the scheme, loan adjustments and persons to contact. "What we've done essentially is to create a human resource management programme which takes into account all employee needs related to personal details, benefits, compensation, training

groundwork for ICICI's e.com foray, explains, is to be present wherever electronic delivery is possible; i.e. touch the customer at all the possible touch points that are possible - whether it's a WAP phone, the Internet, the telephone, or a plain brick-and-mortar branch. Says he: "We are working at speed - name the access device and I should be there."

The Web is not a means in itself but, for ICICI, it's another delivery channel and a means to get in touch with customers, whether existing or new, for the sole purpose of executing a financial transaction, whether immediate or at a future stage or directly or even indirectly. A classic example of an activity that has been made possible solely because of the Web is ICICIDirect, its new Web trading facility. "This is a new proposition - because of the Web we have been able to bring in a new class of customers which wouldn't have been possible otherwise," Mor emphasises.

#### **Portal plethora**

ICICI, in the last few years, has worked at creating a strong retail focus, at growing the retail customer base and deepening the relationship with these customers. It has broadened the array of products for the retail customers and reached them through multiple access points.

As Chanda Kochhar, Senior General Manager, explains, "The objective of ICICI's Internet initiatives is to further enhance the propositions for retail customers and reach them in an efficient and personalised manner. This will ultimately help enrich the customer relationship and expand the customer base. ICICI's e-com initiatives would help acquire, retain and own the customer by addressing the needs of the Internet customer."

Given this philosophy and also Kamath's avowed vision of making ICICI a universal bank, it has launched a whole host of portals through which it can interface with a huge retail base. The list of ICICI e.com ventures include icicidirect.com, the e-sale and purchase

of property, billjunction.com, for payment of electricity bills through the Net, cafemumbai.com, a Mumbai-focused portal, magicart.com, a shopping portal and traveljini.com, which provides information on travel-related issues. Also in the Web pipeline are portals on education and health.

The ICICI strategy is taking a leaf from trends worldwide points out Kochhar. Globally, Internet portal vendors like



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AOL, Yahoo and Excite have announced multimillion dollar marketing relationships with financial institutions. "Considering that more than 90 per cent of the Web Traffic travels the top sites, these relationships will, theoretically, help FIs build brand recognition among the Internet population," she says.

#### **The Web efficacy**

As ICICI officials are wont to say, the Internet presents a unique opportunity wherein it can leverage its financial backbone and retail reach to enable transactions and offer complete solutions on the Web. Take the example of icicidirect.com, its e-broking service. ICICI has the distinct advantage here of being able to integrate three systems - the broking, banking and share depository services. Its entire operational hardware systems and servers are housed out of a central hub in Mumbai's Mahalakshmi area.

In one fell swoop, ICICI hopes to bring in transparency, security and

convenience to the whole process of trading. With this system, ICICI hopes to rope in a lot of new customers onto Web trading, busy professionals who don't have the time to deal with the present broking system. Web trade allows them direct access to the market while ICICI's systems like the banking and depository allow easy settlement.



Says Madhabi Puri Buch, CEO, ICICIDirect: "This whole fear of not knowing what's happening inside the market; the Web completely eliminates that, you can log on to the site, you can see what's happening, you get an almost live commentary, you can see the volumes being traded, and the order situation for that scrip. So, whatever a professional trader sees is available for any investor to see, live, online, real time, so you really are much more in control. None of this would have been possible without the Net; the entire proposition is based on the Web."

Buch believes that the moment one gives users access to reliable and credible information, and a system that proves its efficacy, the market for stock trading will explode. ICICIDirect now has over 30,000 clients who are trading on a regular basis and the number could go up. ICICIDirect's USP lies in the fact that the

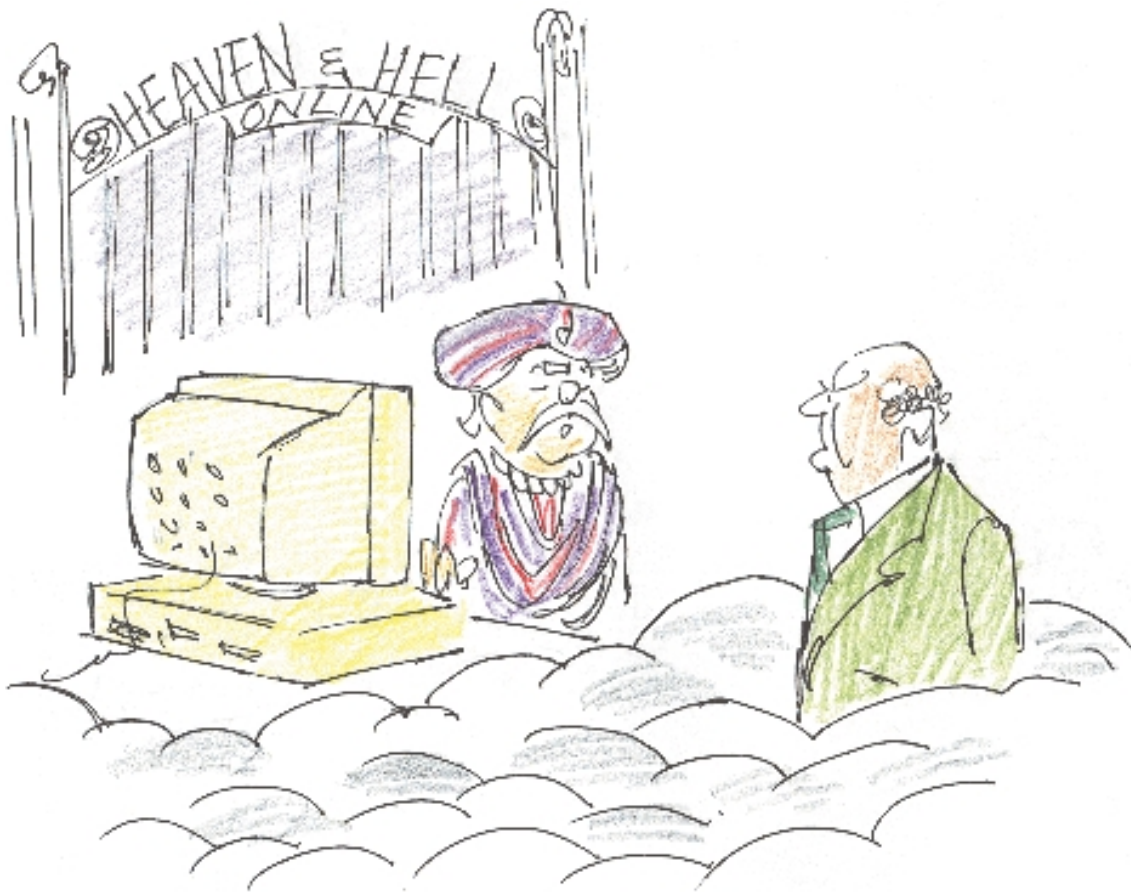
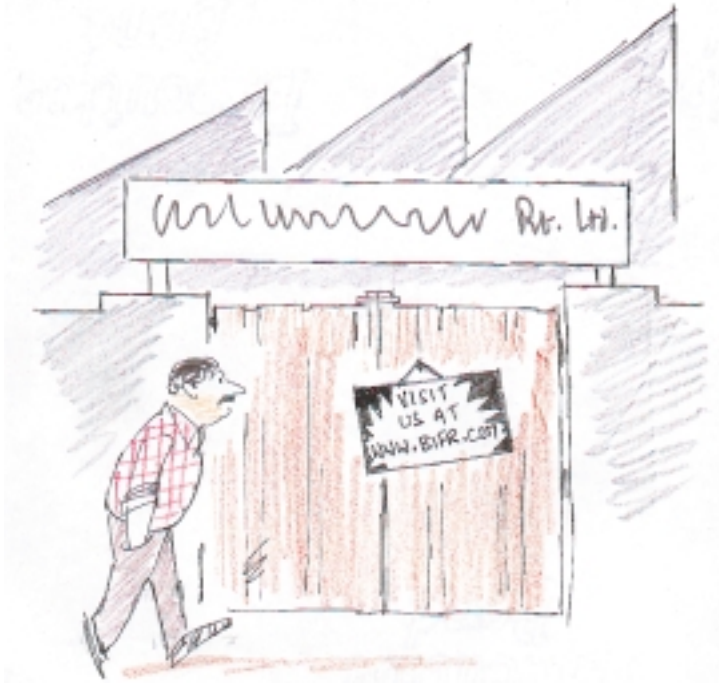
system integrates three systems into one where the broking service executes the trade, the payment is automatically blocked in the trader's account in ICICI Bank, while the scrip is credited to his account in the ICICI depository service.

Much of ICICI's e.com foray has been in the realm of retail. This, ICICI strongly believes, will give it the thrust as a universal banker it aspires to be. This is not to say that ICICI is not looking at Web-enabling its operations to service the 'old economy' players and corporates that it has been dealing with all these years.

A site that ICICI plans exclusively for its corporate clients, ICICImarkets.com is under testing currently. As Kochhar explains, it is closely following the developments in the B2B sector. "We are fully aware of the international trends coming up in this area and are in the process of developing a strategy which will help us become a leading player in the area as time goes by."

ICICI, she says, has developed over the years strong relationships with leading corporates. "All of these in tandem would work towards making ICICI one of the biggest players in the B2B segment in the years to come," she adds.

As Nachiket Mor explains, "We are a lean organisation and the challenge is how to stay lean and yet expand your business. That is the beauty of the Internet which allows me to sit in Mumbai and offer to the mid-size corporate in Chennai, who says the big boys are getting the best rates, Now I can reach him - I don't need to call him, the cost of reaching him is nothing and my back-end systems are capable of straight-through processes." But, in all the hoopla over the Net, ICICI is clear that it has the best of both worlds - a bricks-clicks mix that will be to its advantage. The Web, indeed, is not the limit. ■



“Never mind the non-existent cyber laws—you’ll have to pay up ultimately.”