QUESTIONNAIRE FOR INHOUSE EXECUTIVES

of the company :

of the Respondent :


ERATIONS

ow long, are you in Car loan business (in years).

0-1  [ ]  b. 1-3  [ ]  c. 3-5  [ ]  d. 5 & Above  [ ]

ow long is your relationship with the present company?

Less than 1 year  [ ]  b. 1-3  [ ]  c. 3-5  [ ]  d. 5 & Above  [ ]

ease mention your company’s volume of business in car loans (per month).

s than 50 lacs  [ ]  b. 50-75lacs  [ ]  c. 75-1Cr  [ ]  d. 1Cr & Above  [ ]

ndly rate the satisfaction level on the following attributes of your company

k as below:

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Highly satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
<th>Highly Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement support</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ivious schemes</td>
<td></td>
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<td></td>
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<tr>
<td>ker Relationship</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>orporate Sales Calls</td>
<td></td>
<td></td>
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<tr>
<td>ccess</td>
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<td>e taken for</td>
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<td>e taken for</td>
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<td>eement</td>
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<td>ino</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
any rate the satisfaction level on the following statement about your company/bank as below:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly satisfied</td>
</tr>
<tr>
<td>Physical Work conditions</td>
<td></td>
</tr>
<tr>
<td>Freedom to choose your own method of</td>
<td></td>
</tr>
<tr>
<td>working</td>
<td></td>
</tr>
<tr>
<td>Your fellow workers</td>
<td></td>
</tr>
<tr>
<td>Your Boss</td>
<td></td>
</tr>
<tr>
<td>Targets fixed</td>
<td></td>
</tr>
<tr>
<td>Opportunities to use your abilities</td>
<td></td>
</tr>
<tr>
<td>Your present Pay</td>
<td></td>
</tr>
<tr>
<td>Your Job Security</td>
<td></td>
</tr>
<tr>
<td>Incentives Offered</td>
<td></td>
</tr>
<tr>
<td>Your chance for promotion</td>
<td></td>
</tr>
</tbody>
</table>

**ROBLEMS**

Does your company/bank have in house marketing team?

a. Yes [ ] b. No [ ]

Yes, Does it affect your business?

a. Yes [ ] b. No [ ]
1. They quote lower interest rates
2. They take away all the corporate deals
3. They take away all the direct business
4. All the above

Does your company / bank has dealer DSA?

Yes  b. No

Yes, Does it affect your sourcing?

Yes  b. No

Yes, in what way

a. They quote lower interest rate
b. They give extra discounts on car
c. They provide extra accessories
d. All the above

Rank the following problems, which affects your sourcing? (Rank from 1 to

<table>
<thead>
<tr>
<th>Problems</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>change in interest rates</td>
<td></td>
</tr>
<tr>
<td>itative schemes</td>
<td></td>
</tr>
<tr>
<td>wards to highly performing executives</td>
<td></td>
</tr>
<tr>
<td>ives being not paid regularly</td>
<td></td>
</tr>
<tr>
<td>using Time</td>
<td></td>
</tr>
<tr>
<td>redit policy</td>
<td></td>
</tr>
</tbody>
</table>

ention your overall satisfaction with your existing company / bank?

A 75%
B 75-50%
C 50-25%
D 25-0%
PROCESSING

of the Respondent :

 sing agency of :

of the Company :

ACTIONS:

How long are you working with this company (Yrs).

b. 1-3 c. 3-5 d. 5 & Above

Have you worked with any other processing agency.

b. No

If yes how many years that you worked with other agency.

b. 1-3 c. 3-5 d. 5 – Above

Kindly mention your educational Qualification?

LC b. UG Level c. PG Level d. Professional

Kindly Mention Your current Salary Level?

000 b. 5000-10000 c. 10000-15000 d. 150000 & above

How many reports you have to make pery day.

) b. 10-20 c. 20-30 d. 30 & above

Does your company rely only on reports alone?

Yes | b. No
b. No

If yes, do you ask all the questions in the same way.

b. No

Does all the customer respond you to all the questions.

b. No

If No, then how do you asses the customer.

by his repayment record

by cross verifying the customer from next door

by cross verifying the customer in his work environment

all the above

What sort of job pressure do you have?

a. high pressure

b. high pressure
c. Medium

d. Very low pressure

In high pressure, do you asses the customer in all aspects.

b. Sometimes partially

d. No

Are you charged by any way, if the customer defaults.

Yes

b. No

If yes, what type of action will be taken on you.
Based on number of proposals screened
Based on number of proposals approved
Fixed payout
Others
Kindly rate the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation doesn't affect the payouts on</td>
<td>True to almost no extent</td>
</tr>
<tr>
<td>out often gets paid by 15 days</td>
<td></td>
</tr>
<tr>
<td>out calculations totally</td>
<td></td>
</tr>
<tr>
<td>difference in this paid after one</td>
<td></td>
</tr>
<tr>
<td>situation changes the structure very often</td>
<td></td>
</tr>
</tbody>
</table>

WORK EFFICIENCY AND REWARD SYSTEM

Kindly rate the satisfaction level on the following statements about your company as below:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>High work</td>
<td>Highly satisfied</td>
</tr>
<tr>
<td>freedom to choose your method of working</td>
<td></td>
</tr>
<tr>
<td>fellow workers</td>
<td></td>
</tr>
<tr>
<td>Boss</td>
<td></td>
</tr>
<tr>
<td>gets fixed opportunities to use</td>
<td></td>
</tr>
<tr>
<td>present pay</td>
<td></td>
</tr>
<tr>
<td>Job Security</td>
<td></td>
</tr>
</tbody>
</table>
If No, how it has to be made.

cr report basis b. as per day no of report basis

total number of reports on a maximum basis

y for regular employers

Are you provided with conveyance.

b. No

How much you are presently satisfied with your job.

% b. 25-50% c. 50-75% d. 75-100%

PROBLEMS FACED BY OUTSOURCING AGENCIES

List out some of the problem faced by you. (Rank from 1 to 5)

<table>
<thead>
<tr>
<th>Problems</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Credit Policy</td>
<td></td>
</tr>
<tr>
<td>Number of DSA's</td>
<td></td>
</tr>
<tr>
<td>Days to highly performing executives</td>
<td></td>
</tr>
<tr>
<td>Number of Proposals handled per day</td>
<td></td>
</tr>
<tr>
<td>Attrition</td>
<td></td>
</tr>
</tbody>
</table>

We found that some of your executives sell the rejected customers additional banks (Is that true).

Yes b. No

If yes, which addresses do they sell?

a. Only rejected customers

b. From present customers and rejected

c. Only sometimes they sell present customer
   (When they need money)

d. They sell also existing customers database
COLLECTION

of the Respondent : 

using agency of : 

of the Company : 

ERATIONS:

ow many years are you in this field.

1) b. 1-3 Yrs c. 3-5 d. 5 and above

ow many agencies are there for collection in your Bank / Institution?

Only one b. Two c. Three d. Four

ow many executives are there for collection in your company?

<10 b. 10-20 c. 20-30 d. 30 & above

adly mention your educational Qualification?

AC b. UG Level c. PG Level d. Professional

adly Mention Your current Salary Level?

00 b. 5000-10000 c. 10000-15000 d. 150000 & above

ow much customers do you deal about in a month?

1000 b. 1-2000 c. 2-3000 d. 3000 & above

hat is the default % of your bank?

<1% b. 1-2% c. 2-3% d. 3 & above
Kindly rate the following Statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>True to almost no extent</th>
<th>True to small extent</th>
<th>True to some extent</th>
<th>True to great extent</th>
<th>True to great extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement doesn't require the payouts on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payout often gets delayed by 15 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payout calculations don't tally</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The difference in what is paid after one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement changes job structure very</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**WORK EFFICIENCY AND REWARD SYSTEM**

Kindly rate the satisfaction level on the following Statement about your company:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Highly satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
<th>High Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Work conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom to choose own method of work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our fellow workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Boss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay gets fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunities to use capabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our present Pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Job Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Do you get incentives for maintaining high % of collection?

a. Yes ☐  b. No ☐

Do the Bank / Institution provides any incentive scheme for executives?

a. Yes ☐  b. No ☐

If yes, on what basis they pay?

a. on 100% collection ☐  b. on collecting money from default cases

Is there any incentive for 100% collection?

a. Yes ☐  b. No ☐

OBLEMS

Do you get penalties for not reaching the prescribed Collection rates?

a. Yes ☐  b. No ☐

Please rank the following attributes which may be the reasons for default.

(from 1 to 5)

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing Quality</td>
<td></td>
</tr>
<tr>
<td>Credit Appraisal</td>
<td></td>
</tr>
<tr>
<td>Customer relationship</td>
<td></td>
</tr>
<tr>
<td>Dealer Relationship</td>
<td></td>
</tr>
<tr>
<td>False Promises given by DSA Executives</td>
<td></td>
</tr>
</tbody>
</table>

Kindly give your suggestions:
Annexure - II

CONTRIBUTIONS FROM THE RESEARCHER
Analytical Research Study on Working of Direct Sales Associates with A Specific Reference to ICICI Car Loans

Dr. K. Elumalai, K. Ravichandran, Presidency College, Chennai

Abstract:

ICICI bank commenced its car loan operations in Chennai from the year 2001. It appointed Direct Sales Associates (DSA) for sourcing its business. Lot of banks entered the car loan business from the year 1999 and the competition in the car loan industry. ICICI increased their payout percentages in order to attract DSAs. Also in 2001 ICICI came with a Dealer DSA programme through it Car dealers as their DSA's. It increased the sales volume for the company as they are the main sourcing point for DSA's. Even though each DSA's are been offered multi products of ICICI, their profit margin started reducing. Since they had a huge set up, they could not come out of the business and they are forced to run around for their break-even. So they are in a saturated trap.

Importance of the Study

In this era, the car loan industry was in a peak trend now and also the competition is very keen. ICICI was closed all the doors of DSA's where their sourcing become difficult now. Also the DSA's faces a lot of operational problems with the bank. Hence the researcher to study about the problems of DSA, their satisfaction level and about their competitor satisfaction level which will make ICICI to revamp.
satisfied with their services etc., So this study will be of at most impor
l, for formulating new strategies.

Objectives of the Study

analyse the factors, which influence the customer in selection of DSA.
analyse the satisfaction level of Direct Sale Associates with the various st
etting, process, & payouts) provided by ICICI.
compare the various services offered to DSA's by ICICI with that of comp
ink the major player on various attributes of car loans.
find out the shifting nature of DSA to other banks & the reasons for the shift
analyse the impact of DDSA in the business of DSA.

Limitations of the Study

udy is subject to the following limitations:
study is restricted to Chennai city
study is done only on DIRECT SALE ASSOCIATES of ICICI.
Sampling Design

Sample size was 100, the researcher personally met all the perso
ewed them. The lists of Direct Sale Associates are obtained from the com
mplete size included 20 Direct Sale Associates, 80 Direct Sale Executives,
ICICI Direct Sale Associates & 10 Competitor Direct Sale Associat
d. From each a DSA head and 3 Direct Sale Executive are interviewed

Sampling Population

ates of ICICI car loans and the competitors in the market

Summary of Findings:

About 69.2% are satisfied on the Corporate Sales Calls of ICICI. (table 1)
The researcher found that 20 respondents stated that the Marketing are Good
stated the service as excellent. (table 2)
The researcher found that 49 respondents stated that the After Sales Servi
er important and 1 stated they are somewhat important. (table 3)
Majority of the respondents are highly satisfied with the services & attribu
CI and they show a positive growth in the scale. (table 4)
here is significant relationship between Sole proprietorship and impo
influencing selection of a DSA. (table5)

**Estions and Recommendations**

1. When we analyse the satisfaction level of Direct Sales Associates services, we find that all most all the services are highly satisfactory service like payout calculation and payout in time, where the Company extra effort to make it perfect also we find that most of the corporate sale can be given to in house marketing which forms a huge Dissatisfaction level. Sale Associates so the company can split the corporate leads among Directors where by it can reduce the dissatisfaction level.

2. When we compare the various services of ICICI with competitor, usually marketing processes are rated excellent and other services like relationship, and customer relationship are not in a satisfactory trend. ICICI has to concentrate more on customer relationship where the ratings given by Sales Associates are very poor, so they should try to improve customer relationship by conducting some Annual service on mailers or by unification of the happening of Bank through which the company can gain customer opinion about Bank and also the awareness level of customer's service of ICICI we be increased.

3. The Various attribute like pricing, promotion brand awareness
ence are Ranked by ICICI Direct Sales Associates on the major players in the marketing inferences that ICICI as No. 1 Bank and rest is HDFC, followed by Chartered Bank and last as HSBC. From this we find that ICICI is when compared to other marketing player and should try to maintain the in future.

4. The Majority of the respondent felt that the presence of Dealer Directates will affect Sourcing of Direct Sales Associates and also will increase competition among the Direct Sales Associates of ICICI. So consequently we find a suitable Strategy to gel the Dealer Direct Sales Associates with others.

5. Analysing the factors that influence customer in selection of Directates we found that after sales service, maintaining customer relating full, information about the car loan considered to be very important for the company should concentrate on after sales service like sending post documenting customers on renewal of insurance and about various happenings in a way which will increase the customer relationship and also the directives should be trained well about the product and also market which will affect sale executives to provide the needed information's to the customers.

6. When we analyse satisfaction level of the competitors with their ban at dealer relationship and customer relationship, payout ratio are the fact sidered by the bank for increasing their satisfaction level.
7. When we analyse shilling nature of the direct sale associate from per most of the respondents are ready to shift provided if the bank can provide giving regular payouts and back them with effective branding str: eartisements) and also the competitors look for the customer relationship to increase the business level.

8. The study on the competitors reveals that the nearest competitor is ved by HDFC. This goodwill on ICICI has to be positively taken by ICIC bring the competitor direct sale associate into their fold.

clusion:

the overall study of direct sale associates we found that all most all the associates are satisfied with the service of ICICI, living one or two services we adverse side of ICICI, the company should look forward on increasing action level by tacking up the given suggestions and implementing it. Also reveals, that the brand image of ICICI was ranked No.1 by most compe:itors, which is a major advantage of ICICI to attract the competitors in to.

Also the competitor DSA's are willing to shift if necessary arrangement for improving certain factors like Payouts, Customer Relationship & I ionship. This study reveal a collective opinion of Direct Sales Associate competitor Direct Sale Associates and on their executives through which c
tion are made on the study, if the company can take the suggestion the way and try to implement the stated suggestions. In future, the ICIC come an undisputed leader in the auto finance industry. ¹
995, completion in the Indian car loan industry became very fierce years had to use outsourcing strategy to sustain in the business. We venture to the practical framework of evaluating the outsourcing decision (
Rework of Out Sourcing Decision

From the figure we find that the first task of BPO is to identify the core activities of the business. In car loan industry the core activity is processing and the non-core activities are sourcing, collecting, and collecting. As per the diagram all the non-core activities listed above.

As 2 we find that evaluating the value chain activities are nothing more than the standards set for all the non-core activities. For sourcing we have to define the pricing standard and also define the qualification of the outsourcer as seen has to be trained properly. In application processing, we have to follow the credit policy standards set by the company in processing Ion procedures has to be formulated in a proper way.

As 3, a cost benefit analysis has to be undertaken and we have to find out whether outsourcing will give sufficient cost benefits.

As 4, we have to find out whether all the non-core areas have to be outsourced. Here the cost benefit analysis will help the company to identify the outsourced and also it depends on the nature of relationship with the outsourcer. In car loans, sourcing, collection and field verification can be outsourced and the credit process can be handled by the company itself since it is an important part of the business.

Fits of Out Sourcing in car loan industry
**Orcing**

- Ge scaling is possible
- Infrastructure is required
- Performance based payout can be adopted
- Oining cost is less.

**Ocess**

- High quality standards can be acquired
- Led persons can be employed without additional cost
- Oining cost is less
- Infrastructure is required

**Collection and Field Process**

- Training cost is less
- No infrastructure is required
- Large number of people; can be employed and performance based
- Be given
- 100% collection can be attained.

**Ations of Outsourcing**

- High scaling depends on the quality of DSAs,
1. In process, no credit is given for not approved proposals

2. Continuous monitoring is required in all areas

3. High attrition rates may have a huge impact on sourcing.

The Car Loan Industry

From the advent of outsourcing strategy, a huge market was identified and exploited by the car financing institutions. The car manufacturing and financing institutions have joined hands to develop this industry. In 1981, the market was only 8-10 crores per month and is today 6 times bigger. A huge potential is also foreseen in this market. A huge number of firms and foreign banks have entered into this market which has increased competition. Outsourcing strategy has been followed by almost all in the industry which has created a lot of jobs. However, this competition is very aggressive now and the next stage of this might be the merger of divisions in the industry. Already American Express Bank and Grindlays bank sold their customers.

A transfer of liability will be the forthcoming feature of this industry where the companies are continuously improving and checking their credit standards in the competition.
high potential and fierce competition has made the customers to enjoy in their dealings. Now the customers enjoy lowest interest rates finance and also get a lot of other added features at an affordable cost from manufacturers. The current trend would prolong only for a certain period. Finance companies have to be very vibrant in their actions but not scaling activities which will lead to increase in default rate in the future.

References


The Right Attitude - BPO, the Hindu. 2003, pg. 1-2.


5.  

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DIA - THE DESTINATION FOR BPO WITH RESPECT TO AUTO LOAN INDUSTRY

ICHANDRAN
ime, Research Scholar Presidency College

Dr. K.ELUMALAI
Reader in commerce,
cy College.

Introduction:

efore 1995, the Indian market was closed to foreign investors, so the Auto industry was dominated by NBFC's & nationalised Banks. The nationalised banks were rigid and so the other customer preference on nationalised banks was very less hand NBFC's are very professional and used a lot of promotional strategies for the customers. They opened branches where ever they saw the opportunity is very profitable, since they charged more on customers.

fter 1995, the government of India was in to LPG, which paved the way for Foreign Banks & foreign players in the auto industry. Maruti, Ford, Hyundai, Toyota, are the series of foreign players ruled the market at the end of the day. Due to competition in the car market, car prices came down and also the players in the market, lot of people got jobs, where their compensation was less. So lot of people went for buying their car and thereby car loan industry pack due to foreign banks in the market, the interest rates were competitive a players used BJ their cost effectiveness & for efficient distribution.

(BUSINESS PROCESS OUTSOURCING):
PO (Business Process Outsourcing) can be defined as a contractual service to age, deliver, and operate one or (typically IT-intensive) business processes.

PO related processes and functions include insurance claims processing to ce ons to payroll processing etc way to think of BPO is to compare it functions mizations include i General and Administrative (G&A) cat' specifically back office ministrative functions.

Benefits of BPO:

- **GN COMPANY**--------Located Outside India ---------Doing Processing
- **GN COMPANY**--------Located in India --------------Doing Process Outsourc
BPO Model

WAREHOUSE

DIRECT

SUPPORT/ TICS

SCM

ADMINISTRATION

FINANCE

HR

BILLING

INDIRECT

PROCUREMENT

PAYMENT

BUSINESS ADMINISTRATION

CUSTOMER SELECTION

CUSTOMER ACQUISITION

CUSTOMER RETENTION

CUSTOMER EXTENSION

SALES, MARKET, and CUSTOMER
Business processes and functions that are outsourced and form a large BPO market include:

- Administrative
- Finance and accounting
- Human resources
- Government services
- Manufacturing services
- Distribution
- Logistics
- Sales/marketing
- Customer care

Table areas to be outsourced offshore:

- Customer care, accounting, or insurance claims processing

O Segments

- Human Resources    Payroll Benefits processing    Training and development
- Ring/Staffing      Employee Benefits        Payment Services
- Administration    Credit/Debit Card Services    Check Processing
- Logistics          Inventory and warehousing   Industry management
- Order fulfillment/procurement Transportation and distribution
- Sales, marketing, and customer care (CRM)
- Customer services, Customer analysis, Call centers. Consumer information services
- Finance and administration Document management
- Accounts receivable / Accounts payable /Accounting services
- Shareholder services/ Billings Claims processing / General ledger
do Companies Outsource, and why now?

and foremost - PRICE

ially better service levels

cious improvement Innovation in processes

in Auto Loan Industry:

Auto loan almost all the processes including sales is done by out s
es. In the Financial Services Industry there is a huge scope for BPO. Lot of
nies has out located themselves in all metro cities of India for gaining
in their operations and also to monitor their outsourcing agencies in a bet
ch the agencies operate effectively.

Process in Auto Loan Industry:

Sourcing of Customers

Loan Application Processing

Field Investigations Reports

Loan Approval

Back Office Processing

Collection of Post Documents

Collection Process until account closes.

I the auto loan financing foreign Institutions has out located themselves ;
branches in all metro's of India. Also all foreign institutions was out sourcing in the name of Direct Sales Associate (DSA's). Each bank has more than and also each has identified outsourcing agencies for other processes. Other Banks, ICICI Bank, was outsourcing all its operations and also Cholamandalam and Tata Finance were the 2 NBFC's who are also outsourcing their operations major Finance Company who does the sourcing directly was Sunbaran Ltd.

& its Uses:
was followed in this market due to the following reasons

* Increase their sourcing levels
* Reduce the cost of operations
* Have better and effective controls
* Have an effective collection network
* Increase the profit levels

ss-Sales can be easily made through DSA's.

Early followed by Banks on their Outsourcers:

Earlier in this industry, NBFC's are doing effective business, customers does not have lot of options other than getting loans from NBFC's. So NBFC's followed a strategy called "PULL.STRATEGY". This strategy is nothing but doing effective actions to attract the customers to avail from them.

After the entry of Foreign Banks in this business most of the NBFC's closed
business and namely 1 or 2 survived. The foreign banks followed a strategy, which is nothing but pushing their outsourcing agencies to sell and ideas of the company. All the DSA’s of the banks were given volume commission so they are charged to run around the streets to procure the business. This is a survival game for them.

& Cost Effectiveness:

Companies like Sundaram Finance Ltd., who followed direct marketing had a high salary, administration cost, so their operating cost is too high. So they are not making their business as compared to Foreign Banks. The cost of funds for Sundaram Finance Ltd., was more than 10% so their deployment rate was more than 14%. So their margin was in between 1 to 2%.

Foreign Banks their cost of funds was in between 6-8% and their deployment rate around 13%, but due to their outsourcing cost they had the same profits. But due to the volume of business of SFL, the foreign banks were doing more than SFL. So even though the cost of outsourcing was very high, due to their scale of business they are able to get the same profit as SFL.

and its Problems:

ram Finance 50-Year-old companies in this Auto loan finance industry was 2
Their NPA level even though the outsource. But the foreign banks, who ions in 1995, were started to increase in NPA levels. The main reasons may be foreign banks lack face to face interaction with the customer. There might be slight chance that customer may pass through the process due to large number of applications in a day.

Due to some reasons there might be false report given by a field level executive due to over funding the customers.

Their problems seen in BPO firms are that Back office operating agencies unproductively, and sell the data competitive firm. Also measuring the performance of operations could not be rated a sales. So in due course the back office may teness.

**Percentage of BPO in India**

Combination of factors such as low staff, a large pool of English-speaking and thin as well as India's position have made India an increasing choice for outsourcing and other activities. Large multinational companies, especially in the US and singly in Europe, already understand and have in many cases utilized India's stages as a cost-efficient base for software development and maintenance. Companies like
merican Express, and British Airways, have successfully demonstrated the benefits of the model, with total annual savings of a few hundred million dollars between

**Office Processing / Data Processing**

Industries such as banks and aviation require large-scale data processing and decision-making capabilities. Raw data and/or paper documents are sent to remote (IT enabled destinations) where the data entry and necessary reconciliation is carried out. Similarly, large insurance companies need to process claims that they receive on a regular basis. Using high-speed datacom links for their backoffice and front office operations, these banks, airlines, insurance companies and other organizations, are able to save costs and values.

**Database Outsourcing**

Involves creating databases of legal records, indexing them, updating them over the data processing to facilitate the process of researching cases for lawyers. This tedious data processing aspect of legal work, which is usually done by lawyers. This industry is relatively small in size, and is yet to catch on in the US because of the skills needed in terms of familiarity with European and US legal records.
Outsourcing

R service components include recruitment screening, administration and relocation, payroll processing, compensation administration, benefit plan administration and regulating compliance.

 Geographic Information System (GIS)

GIS is a compendium of tools and methods that are used for the study of location. The job basically involves digitizing maps on different themes and using a large amount of remotely sensed (RS) data. The IT services that provide digital input for GIS require skilled technical manpower. Most of these processes are labor intensive, which gives India a significant cost advantage.

 Pricing Structures

Per unit time variable (per seat, per hour): the most common pricing model in the sector - CRM software licenses are also passed on - minimum amount is guaranteed in these contracts, after which the per unit variable calculation begins. Voice support typically ranges from $12-24/hour, and web-based e-mail edge-based support from $7-12/hour.
share: compensation is based on actual success (demonstrable through e ters): which could be actual savings by moving the process to the vendor or generated through a telemarketing campaign (or actual sales).

nt or activity based: this again works with certain minimum amount agr ditional payment is made depending on the actual volume of transactions or its.

ical support

tchnical support requiring specialized skills and other specialized areas: ic research etc, are priced at higher rates, depending on the service provid activities are usually billed on a per hour basis and rates — in some cases as $50-70 per hour. These efforts require skill sets and training, and are typ it to scale to very large numbers.

lusion:

om all the above, one can infer that hereafter which ever company enters this has to first find an outsourcer and then only it can plan for its operations. In in the problems, which we quoted, have to be curtailed for the survival of the liven though the bank employees are not in roads, they are to be very cautiou the operations of their DSA's and Back office people because these people will the survival of the banks.

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INDIA - THE DESTINATION FOR BPO

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Abstract:

Before 1995, the Indian market was closed to foreign investors, and the auto loan industry was dominated by NBFC’s & nationalized banks. Aligned banks were always rigid and so the other customer preference was very less, on the other hand, NBFC’s are responsive and used a lot of promotional strategies to attract the customer. They opened branches wherever they saw the opportunity and also they were more reliable, since they charged more on customers. In Auto loan industry, the first introduced by CITI BANK and GE Capital, they outsourced their processing also. The banks, which followed them, the same theory. In India, the foreign players used this BPO for two reasons: the market potential (so they outsource business quickly capture the market) and sourced processing like back office, collection & field investigation benefitted very less cost for them and also generally the Indian employee is active and so the back office operations are perfectly managed. At the same time, the Indian Auto loan industry has provided a lot of job opportunities and been an enabling BPO.¹

¹ National conference on "Converging to synergise- Tommorow's Dimensions: challenges and Strategies for India" by School of Management, Pondicherry, November
mer services, customer analysis, call centers, Customer Information Center and Administration, Document Management, Billings Claims processes Receivable, Accounts payable. General Ledger, Accounting services.

**To companies outsource and why now?**

- and foremost - price.
- initially better service levels.
- continuous improvement
-ovation in processes

**n auto loan industry:**

In Auto loan, almost all the processes including sales is done by out sources. In the financial services industry, there is a huge scope for BPO. Large companies have out located themselves in all metro cities of India to get better control in their operations and also to monitor their out sources in a better way by which the agencies operate effectively.

**process in Auto Loan Industry:**

- including of customers.
- Application Processing.
- Investigation Reports.
- Approval.
- Office Processing.
- section of Post Documents.
- section Process until account closes.

All the auto loan financing foreign institutions have out located them started branches in all metros of India. Also all foreign institutions are servicing their customers in the name of Direct Sales Associates (DSA's)
her processes. Other than foreign banks, ICICI bank is outsourcing ions. Cholamandalam Finance and Tata Finance are the two NBFC's w outsourcing their operations. The only major finance company which d ing directly is Sundaram Finance Limited.

**And its uses:**

was followed in this market due to the following reasons.

increase their sourcing levels
reduce the cost of operations
have better and effective controls
have an effective collection network
increase the profit levels
Sales can be easily made through DSA's.

**By followed by banks on their outsourcers:**

Earlier in this industry NBFC's were doing effective business. Customer a lot of options other than getting loans from NBFC's- So NBFC's fol egy called "pull strategy." This strategy is nothing but doing eff ions to attract the customers to avail them. But after the entry of fo in this business, most of the NBFC's closed down and one or two surv reign banks followed a strategy called "push strategy", which is nothin g their outsourcing agencies to reach the goals and ideas of the company ASA's of the banks were given volume-based commission and so the d to run around the streets to procure the business for the banks'. Thi:
combination of factors such as low staff, a large pool of English-speaking people, as well as India's time zone position have made India increasingly popular choice for outsourcing CRM and other back office activities. Multinational companies especially in the USA and increasingly in Europe understand and have in many cases utilized India's advantages as a cost-effective base for software development and maintenance. Companies like Swiss Express and British Airways have successfully demonstrated the benefits of this model, with total annual savings of a few hundred million dollars being realized.

**And its problems:**

As Finance, 50 year old company in this auto loan finance industry was managing its NPA level even though it does not outsource. But the foreign banks, which started their operations in 1995, were started to show an increase in NPA. The main reasons for it may be: 1. Foreign banks lack face to face interaction with the customers. 2. A default customer may pass through the credit system a number of applications processed in a day. 3. Report given by a credit analyst which is not properly analyzed. 4. Over-funding the customers.

**LUSION:**
Even though the bank employees are not in roads, they have to be computerised with the operations of their DSA's and Back office people because it will decide the survival of the banks.¹