EXECUTIVE SUMMARY

Business today is being impacted by multiple forces and is under a tremendous pressure to perform. Whether a new business is to be launched or if any entity wants to take the existing business organization to the next level, implementation of sound business practices is a necessity. There is an overall process for operational success: the organization must establish the vision, execute the mission, follow the business model plan, execute it and then review and redirect the set of activities for continuous improvement in its operations and to elevate the business to the next level of growth.

Execution of activities in the organisation requires good, trained, motivated employees for which the organizations should follow sound business practice process to: evaluate the workforce, rank the productivity, and compensate them in order to retain the valuable employees, and to ensure the future success of your developing business. Every business entity must strive for best business practices, best practices are finding and using the best ways of working to achieve the business objectives which involves keeping up to date information of peer groups, external environmental changes and also measuring its performance against the market leaders within the same industry. Business Practice embodies a philosophy based on a desire to determine ideal ways to perform a standard business practice.

Business practices in India are undergoing massive transformation; the vision of success requires new business tools, practices and relationships. Business today is being impacted by multiple forces and is under an unprecedented pressure to perform, whether a new business is to be launched or there is a want to take the existing business organization to the next level, implementation of sound business practices is a necessity.

The banking system in India is undergoing structural transformation under the influence of globalization, deregulation, technological advances and institutional and legal reforms. To survive and excel in a competitive environment, banks have been innovating, diversifying and sharpening their banking skills. Banking regulation and supervision has been progressively aligned with international best practices with suitable adaptations.
The research attempts to study business practices of Banks which have made them more profitable by bringing in structural changes, process changes and technology upgradation and systematic changes. Structural changes will enable Banks in faster decision making, improving communication network, electronic transfer of money and proper management information systems. Process changes will bring about change in work environment, duties and responsibilities will be redefined, imparting new skills to the employees and improvement in service quality etc. Technology up-gradation will enable the Banks in automation of services, internet Banking, new job assignments and computer based accounting. Systematic changes will bring about improvement in services, innovations and flexibility in adapting to the changing environment needs.

The study is limited to the Commercial Banks and Urban Co-operative Banks situated in the demography of Pune City. Business Practices determines the success of any organisation, as business practice is a broad term encompassing varied functions for research purpose the business practices of Banks are narrowed down to majorly two factors that affect the financial sectors growth and sustainability:

a) Quality of Banking Services
b) Innovative Practices adopted by the Banks

The research envisaged to study the above mentioned business practices relating to the Banking Sector for which the following objectives were affirmed:

i) To study the Business Practices followed by the Banks.
ii) To study the aspects of Business Practices that increases efficiency and transparency of Banking functions.
iii) To study whether the existing Business Practices followed by Banks supplement the nature of business and the organizational objective.
iv) To study the various strategies followed by Banks to cater the growing competition.
v) To identify innovative Business Practices that can increase the overall efficiency and profitability of the Banks.
vi) To make comparative analysis between Banks, NBFC’s and Financial Institutions of Business Practices that has an impact on profitability and cost effectiveness.

For the study the sample comprised of 35 Banks, 355 Retail Bank Customers and 35 Bank officials of the selected Banks for the research work. The methodology adopted for the study encompassed data collection from the Primary sources by survey method through two different sets of structured questionnaire, one for assessing the satisfaction of service quality from the retail customers and other questionnaire was circulated to the Bank officials to determine the different innovations at the various Banks selected for the study. Secondary data was collected through various published sources to gain insight on the developments in the Banking Sector and for evaluating the financial performance of the Banks.

The gathered information was classified; tabulated and analysed using statistical tools such as graphs, charts and correlation analysis, financial ratios were used to review the financial performance of the Banks thus it can be concluded that the researcher could achieve the end outcome of the research.