



Leadership through Technology

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Leadership through Technology



American Airlines with its Airline Reservation System in the 1970s

Fedex with its Web based Shipment Tracking System for all customers

Walmart 's Integrated Inventory Management System

The Early Birds

Amazon.Com with its complete Web based business strategy

DELL Computers with its Online PC Ordering System



Leadership through Technology

**The
American
Textile
Industry : a
Case Study**

**USA is the
world's second
largest cotton
producer**

- **The Epitaph for America's Textile and Garment Industry was written decades ago. It is a Sunset industry.**
- **Only Tariffs, Quotas and other barriers have sustained it so far.**
- **Textile Mills are moving to Mexico**
- **Employment is dropping and so is share of locally manufactured goods.**
- **It was predicted ten years ago that only the Designers and the Distribution Centres will be in USA.**

Leadership through Technology

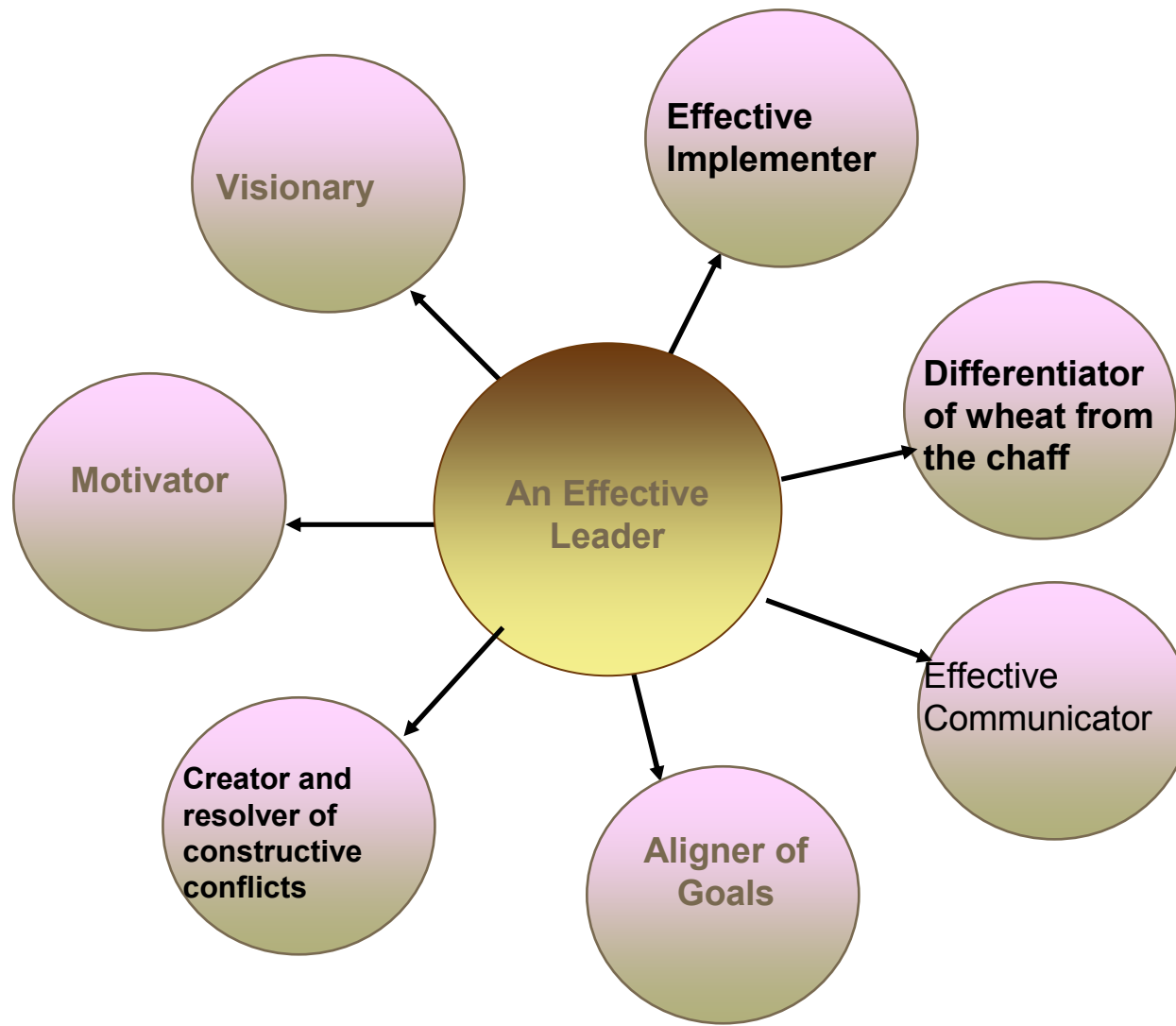


The
American
Textile
Industry : a
Case Study

A ray of hope :
Technology to
the Rescue

- **Already Electronic Ordering, Automated Distribution Centers and Inventory Management Systems tied to Customers are in place.**
- **Lean Retailing is in place.**
- **Now comes the Technology of “Lots of One “.**
- **Body Scans to capture customers size and shape.**
- **Online systems giving choice of design and cloth to the customer**
- **Custom made clothes delivered in a few days at home.**
- **Reduction in Stock out costs and unsold stocks to compensate for the labour advantage of other countries.**

Leadership : The challenge



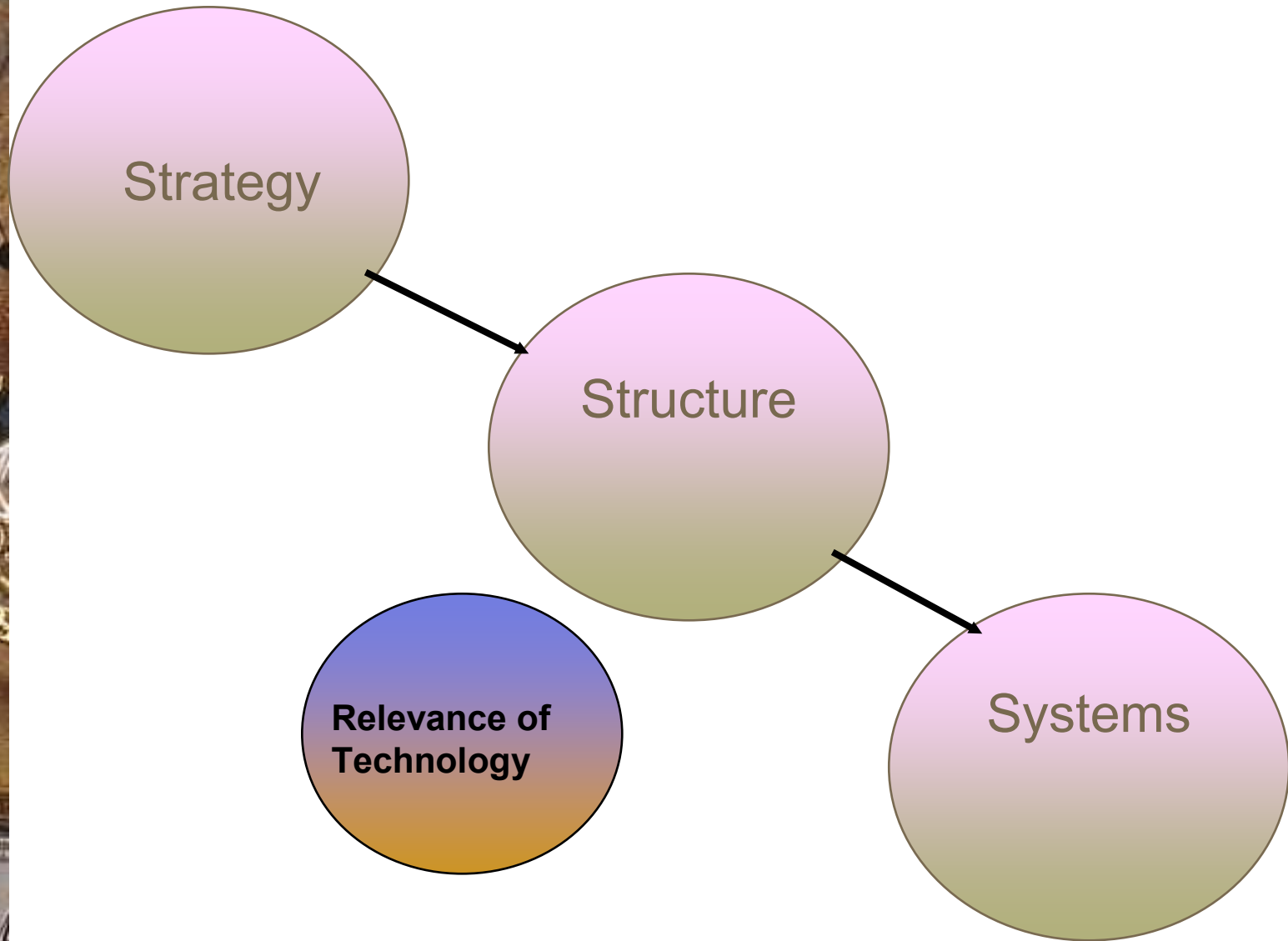


Leadership through Technology

Relevance of
Technology

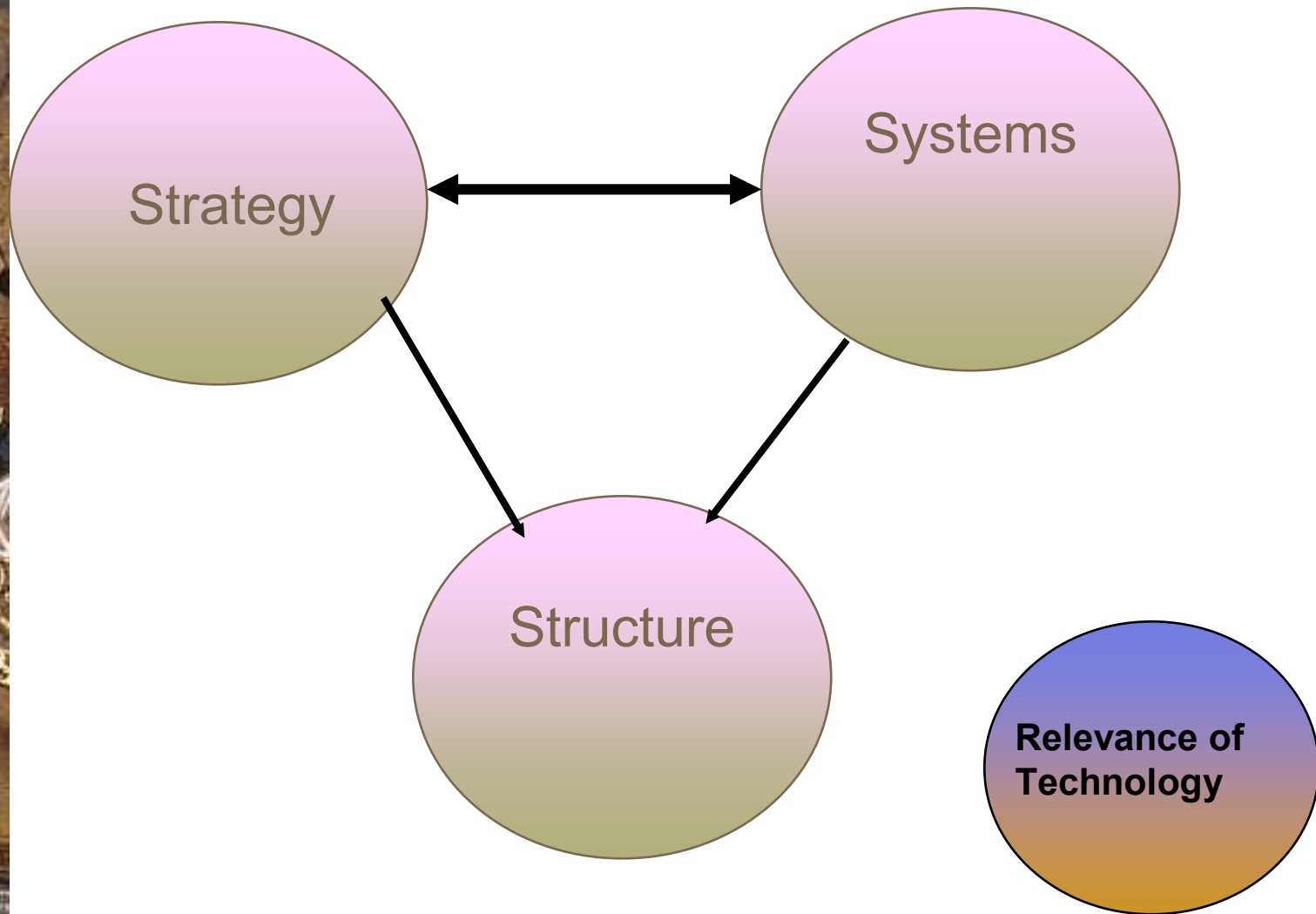
- **Technology is all pervasive**
- **All including CEO need to be savvy**

Leadership through Technology





Leadership through Technology





New Era Leadership (according to Peter Drucker)

- ◆ **Upwardly Communicating Organization**
- ◆ **Two way Communication with Customers**
- ◆ **Market Creation**
- ◆ **Eliminate Processes**

Incidentally he was paying premiums on 6 policies at the age of 91. He called to find out that he could stop 5 of them.

Leadership through Technology

The Mobile
Revolution

The Internet

Asynchronous
Communication

Object
Management:
Corba

Client
Server
Architecture

Relational
Data Base
Management

Personal
Computers

Mainframes
with Dumb
Terminals

**Evolution in
Information
Technology**



Evolution in Information Technology



The Mainframe Era

- ◆ Powerful mainframes
- ◆ Dumb terminals
- ◆ One way command
- ◆ Centralised Data Base
- ◆ Hard to communicate with

Evolution in Information Technology

The PC Debut

- ◆ Powerful mainframes
- ◆ Interactive PCs
- ◆ Basic Two way communication
- ◆ Distributed Data Base

Tedious Data Entry
Irreconcilable data



Evolution in Information Technology

RDBMS

- ◆ Relational Data Base Management
- ◆ Distributed Data Storage

No data duplication
in entry and storage.

Ease of retrieval



Evolution in Information Technology



Client Server Architecture

- ◆ Client seeks information services when needed
- ◆ Server is ever ready to serve
- ◆ Always up and ready to acknowledge the request for service from the Client
- ◆ Services the request or points to the right source

Evolution in Information Technology

Client Server Architecture

- ◆ A single Server is capable of servicing numerous Clients
- ◆ Server and Client can have role reversal
- ◆ Server is willing to have a Service Level Agreement

Peer to Peer Networking Technology : P2PN

Evolution in Information Technology

Asynchronous Communication

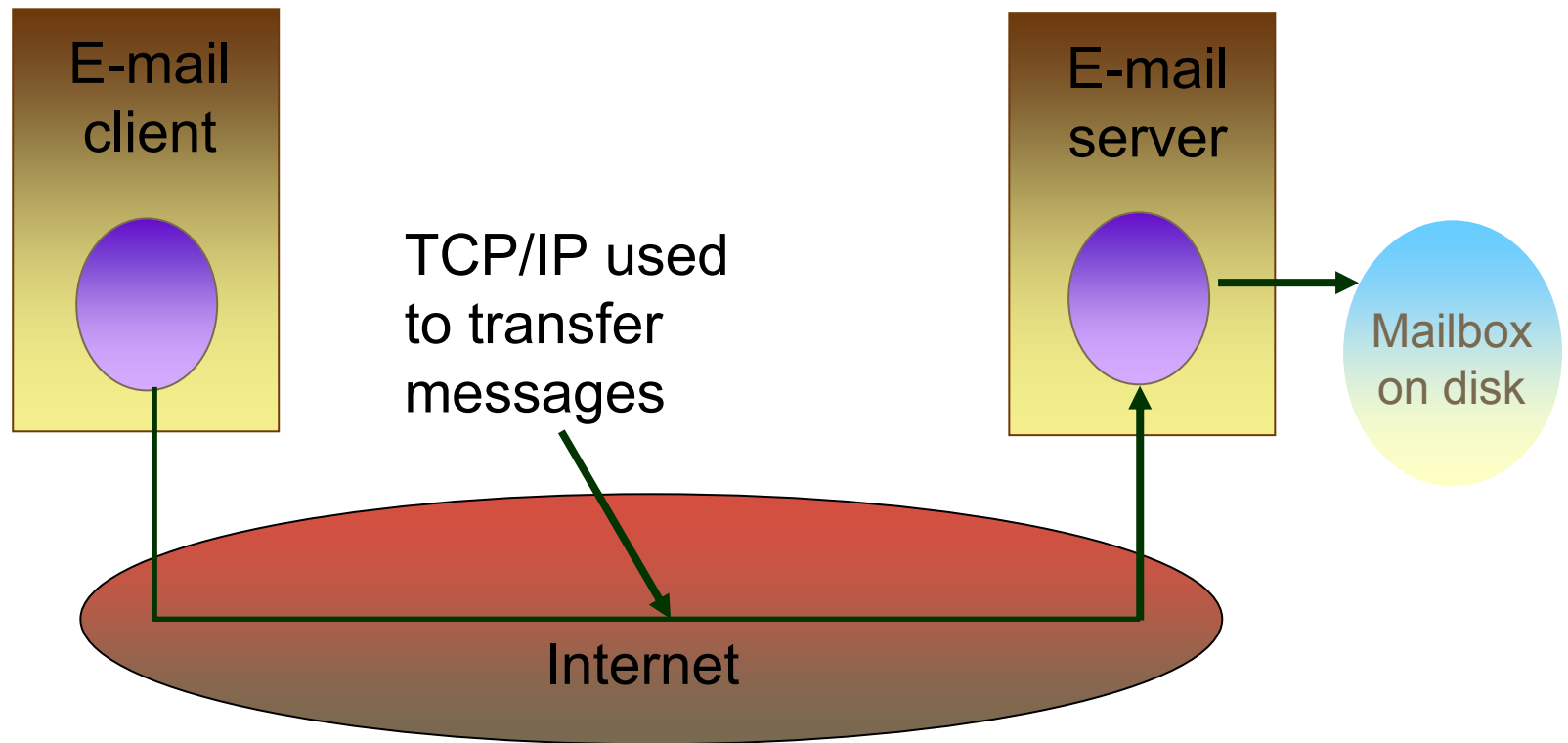


1. Throughput efficiency
2. Higher level of user convenience
3. Personalized Service
4. Timely Response

The World of Internet

Sender's computer

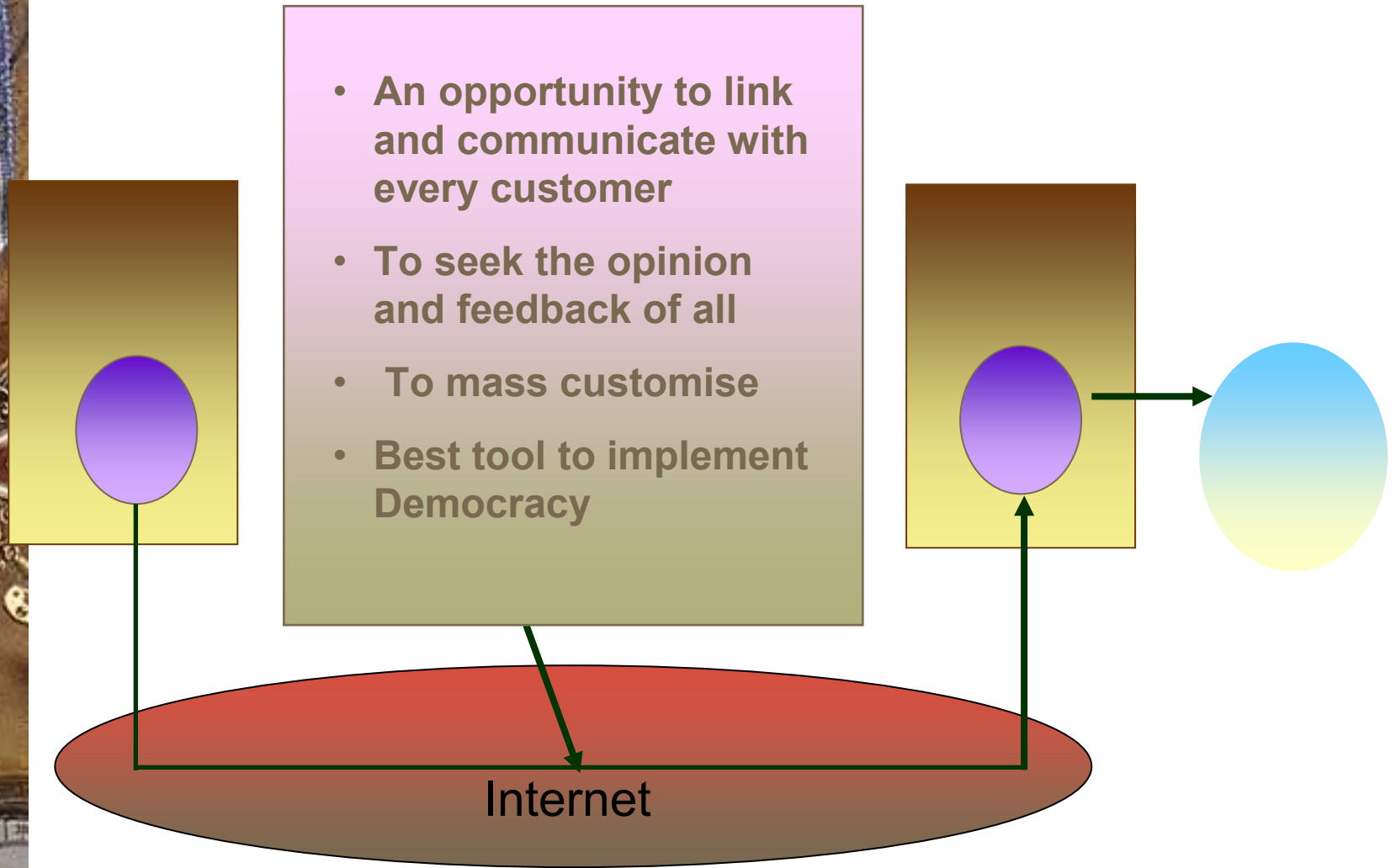
Recipient's computer



The Global Village

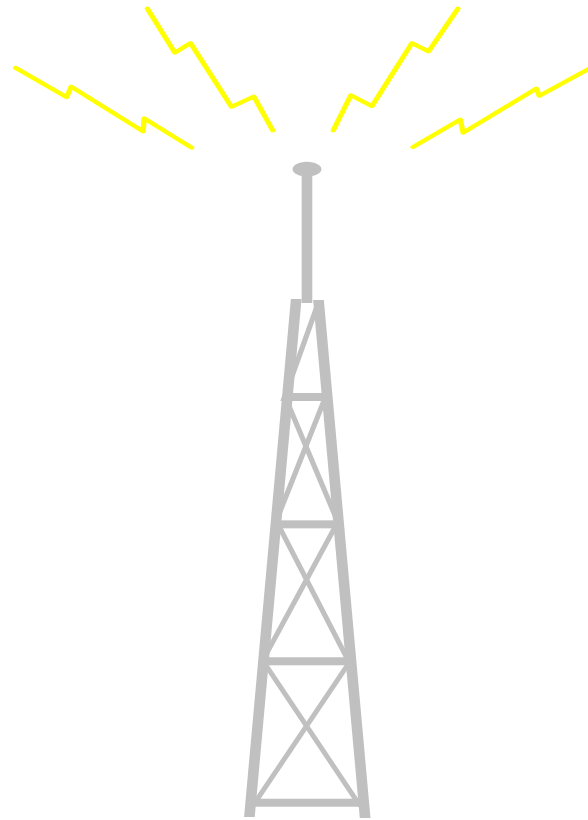
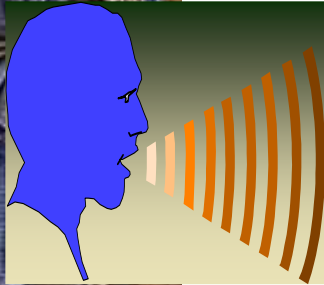


The World of Internet



The Global Village

The Mobile Revolution



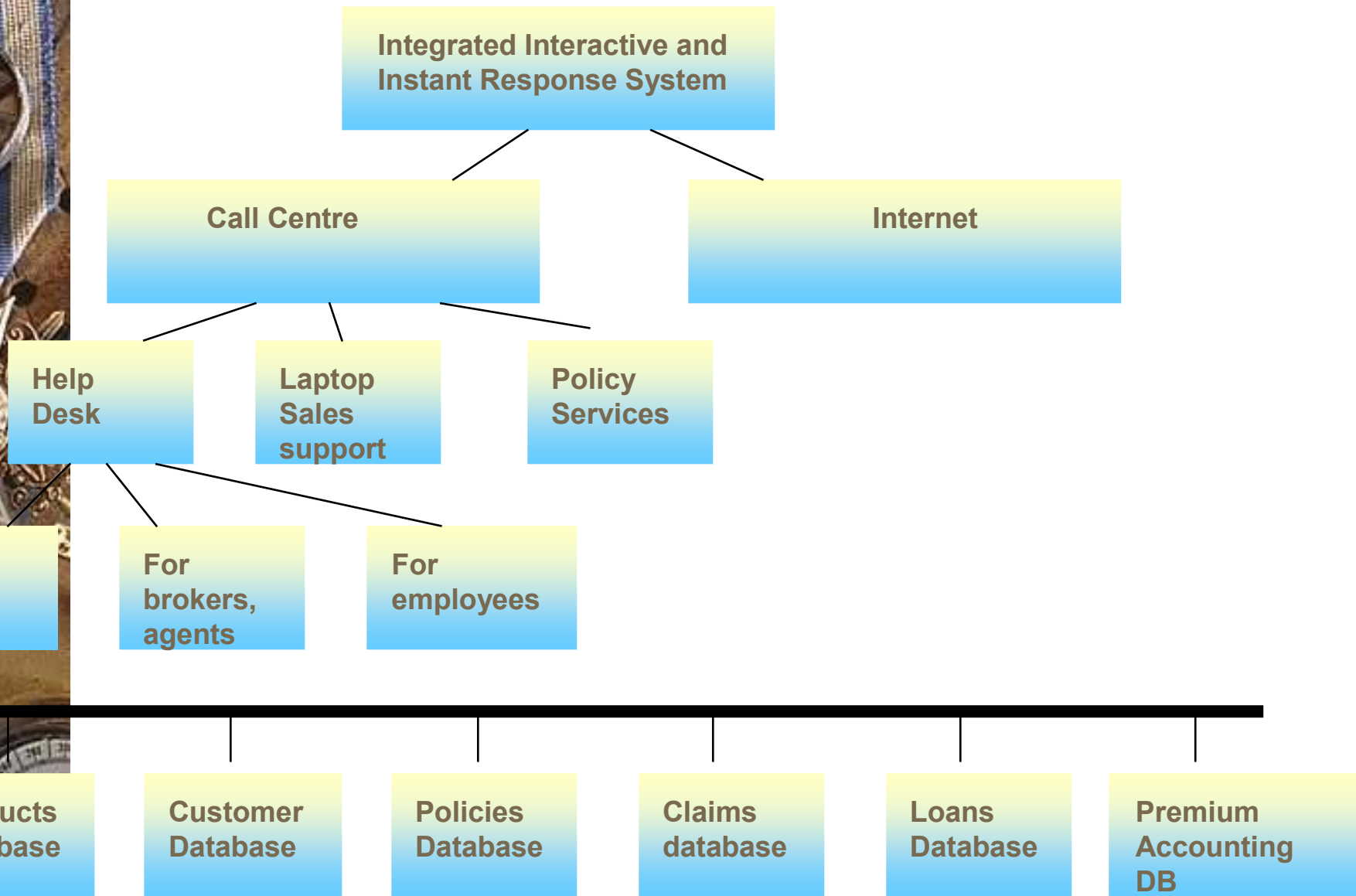
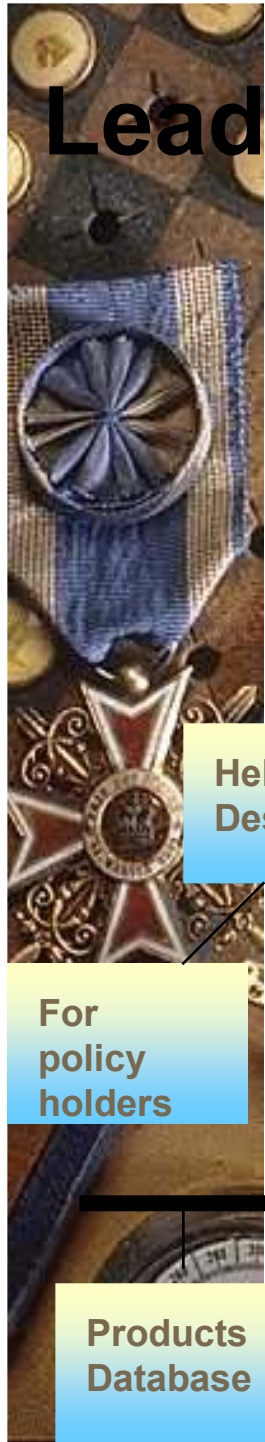
**The Anytime
Anywhere
Communication**



**How does one utilize
Technology to gain a
competitive edge ?**

A leadership position ?

Leadership through Technology : Future





Leadership through Technology : Future

Enabling technologies
Exist today.

- ◆ **E Mail**
- ◆ **Internet, Intranet and Extranet**
- ◆ **Work Flow**
- ◆ **Mobile computing**
- ◆ **Data Warehousing; Data Mining**
- ◆ **Object Data Base Management**
- ◆ **Computer telephony**
- ◆ **Interactive voice recognition**
- ◆ **Imaging**
- ◆ **Expert Systems**
- ◆ **Electronic payment processing**
- ◆ **Network security**
- ◆ **Digital Certification**

**The future
is here
already**

Leadership through Technology

Cost to acquire customer

Cost of selling a policy

Cost of printing and distributing a policy

Cost of Record keeping

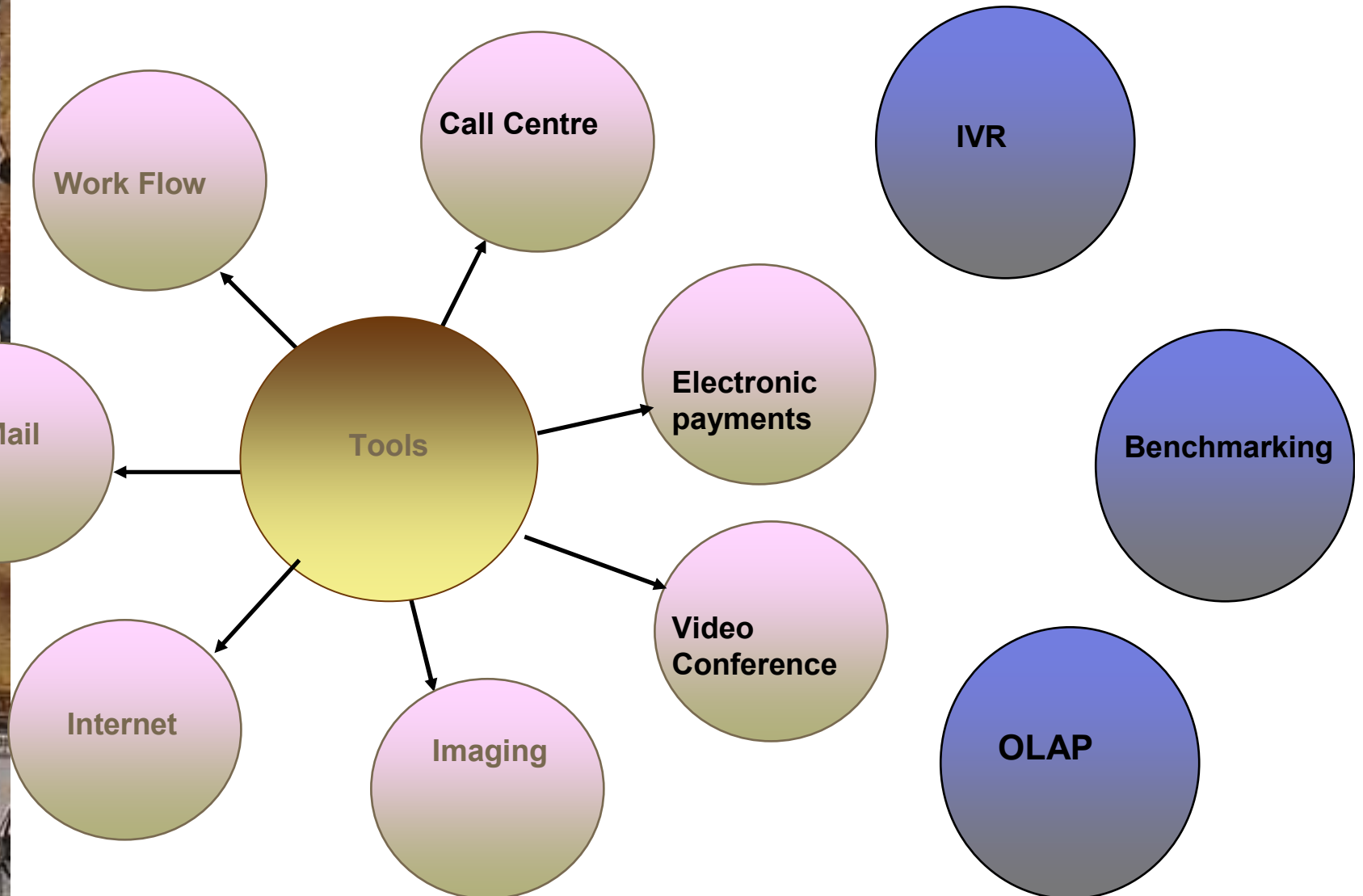
Cost of claim processing

- Need to know the distribution pattern
- And device differential strategies

Unbundle costs to effect reduction



Technology : Tools



Transforming through Technology

Learnings from other industries



Cross Selling of Products

Amazon.com

Uses Web based technologies :

Uses a process called Collaborative Filtering to let a customer know what like minded persons are buying.

Insurance Industry can create a similar data base and use it

Transforming through Technology

Learnings from other industries



National Semiconductor

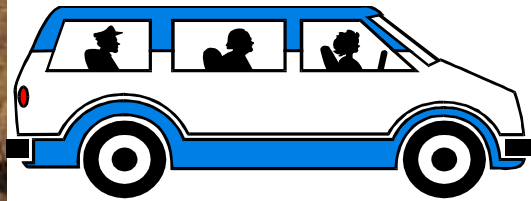
Created a Buyer Bulletin Board on their website to help customers locate the nearest distributor with stock on hand

Distributing Products

Insurance firms can redefine the value propositions of agents, brokers and other intermediaries

Transforming through Technology

Learnings from other industries



MRF Limited

Truck Tyres bursting before full tread wear are

- 1) Replaced with credit
- 2) Cut open and analyzed to detect failure causes

Handling Product failures

lapsed policies can be analyzed similarly to determine

Policy feature defects

Marketing flaws or

Customer profiling

Technology Management



**Balance Between Total
Life cycle costs and
Paralysis by Analysis**

*Ability to
evaluate and act*

**Need not be at the
cutting edge ;**

Nor be a laggard to all



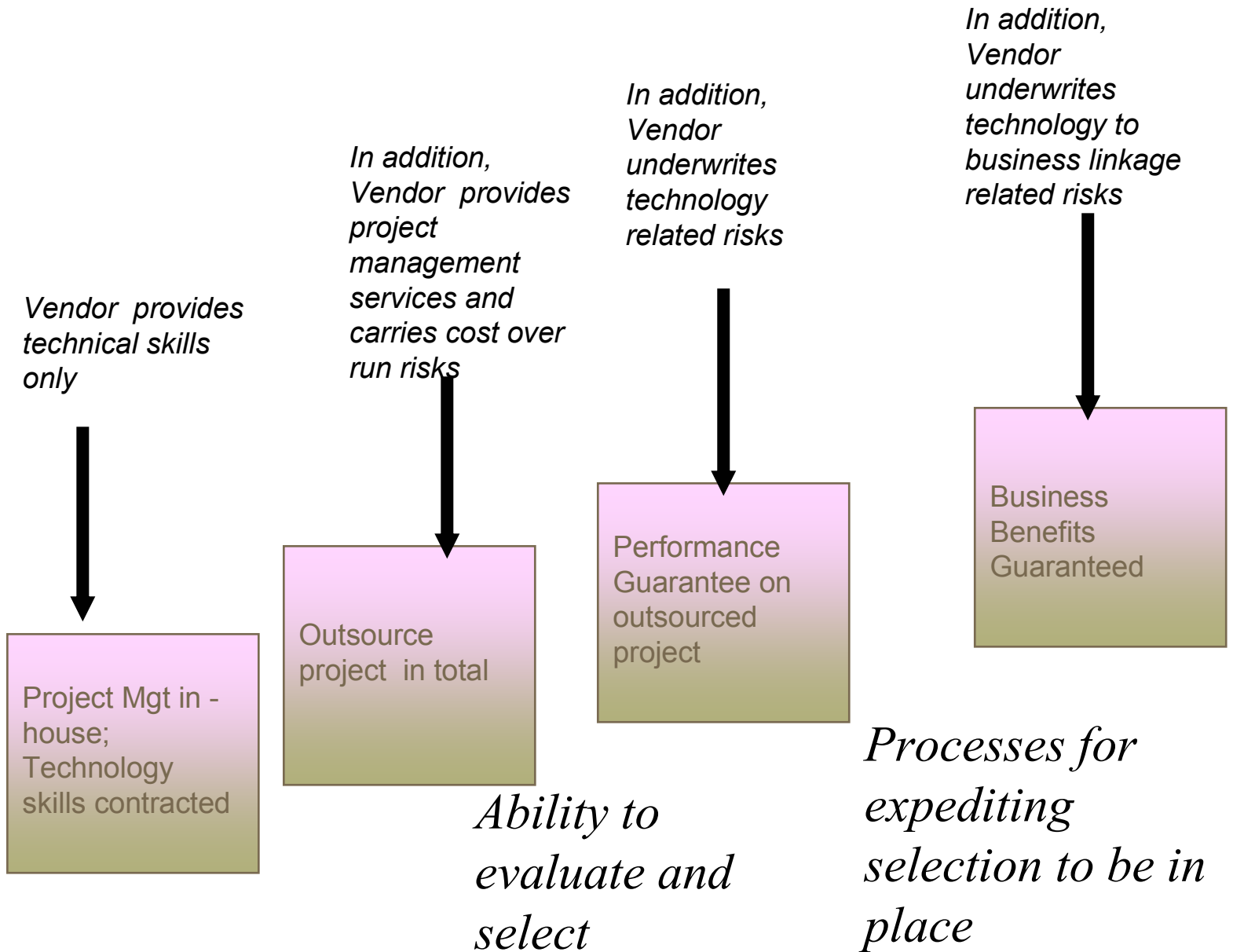
Technology Management

Create a STAR I.T.Department :
Strategic (Business Focused)
Transitional (nimble)
And
Renewal (a learning organization)

*Ability to
evaluate and act*

- Skilled enough to**
- **decide on make vs buy**
 - **To do program management**

Technology Management



Technology Management :

A possible Road Map

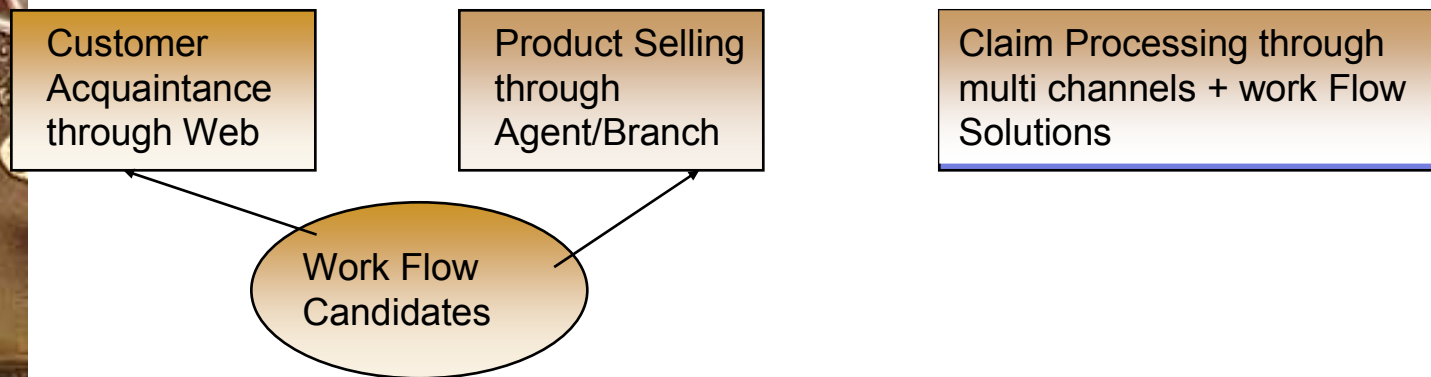
0) E.mail connectivity to all employees and customers

1) Determine Plain Vanilla Products to be pushed through Bank Branches, Kiosks etc

2) Simple products to be sold through integrated web sites

3) More sophisticated Products sold through Interactive Web sites and Call Centres

4) For more complex Products needing Agent's or Branch office involvement



5) Highly specialized or Tailor made Products sold through Branches /Brokers

ExtraNet + Work Flow +Video Conference



Technology Management :

A possible Road Map

- 6) **For High Value Customers Give Direct data access and data entry facilities**
- 7) **Implement Agent Productivity tools using Laptop Computers, Data download and upload facility and mobile computing**
- 8) **Broker commission and account reconciliation through online systems**
- 9) **Reinsurance commission and account reconciliation through online systems**
- 10) **Treaty Maintenance through Online Work flow systems**
- 11) **Treaty Adherence through a system integrated with New Business Module**
- 12) **Integrated NB , Policy Administration, Claim Processing and Accounting system**
- 13) **For Product – Market Strategy determination and ongoing evaluation : Data Warehousing and Data Mining packages**
- 14) **For Training staff use CBT + Intranet**



Leadership through Technology

Challenge for the CEO

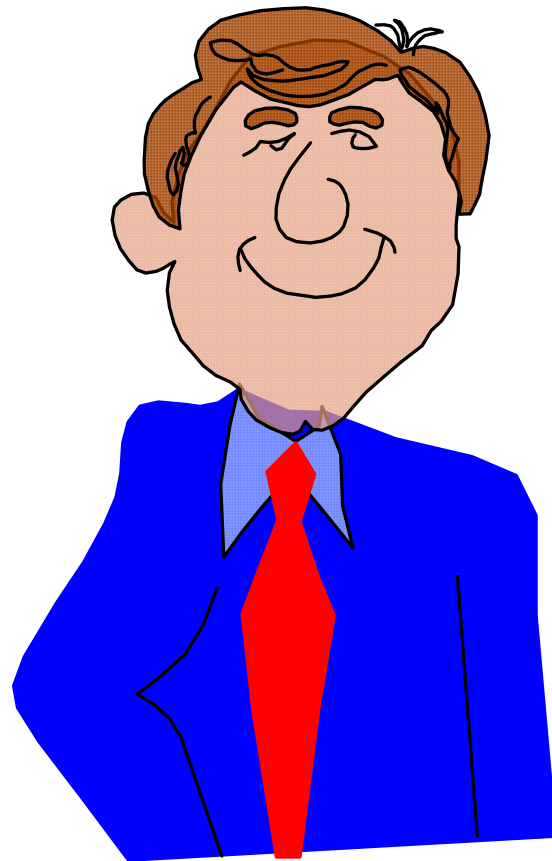


GLOW

**Create a Globally
Learning
Organization and
Workforce**

Technology is the prime tool
to accomplish this.

Leadership through Technology



***Thanks
and
Best wishes***

