



E-Governance Leaders as Change Managers

18th National Conference on e-Governance

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SBI Leader in e-Governance

- **A 200 year old Bank with branches spread evenly across the country moved from manual operations to completely automated system in about 20 years**
- **Added new channels of delivery like ATM, Internet Banking and Mobile Banking to provide 24 x 7 service to customers**
- **Its CBS, ATM network, WAN are amongst the biggest in the world**
- **This has led to massive changes in the way it is dealing with the various stakeholders namely Shareholders, Regulators, Customers, Society and Staff**
- **Bank has changed in terms of organization, processes etc**



Phases of Transition

- **Phase I 1987 – 1992**

The exploratory phase when the Bank started Data Processing Centre at Local Head Offices and back office mechanization

- **Phase II 1993 – 2002**

The foundation phase when the Bank started full branch computerization and deployment of standalone ATMs

- **Phase III 2002 – 2008**

The transformation phase when branches were networked, CBS, ATM, Internet Banking, Contact Centre etc launched

Post 2008

The consolidation phase where governance structures built for IT organization. HRMS, internal Social Network, Cash Management, ALM, AML etc were implemented



SBI ATM: Market Share

No of ATMs



No of Debit Cards



Number of ATM Txns



Amount of ATM Txns



Parameter	SBI	Other Banks	Total
<u>ATMs</u>	45463	128234	173697
Debit Cards (Cr.)	12.72	31.44	44.16
Number of <u>Txns</u> (Cr.)	24.98	35.15	60.13
Amount of <u>Txns</u> (Cr.)	62304	129996	192300

As per latest available data: Oct. 2014

Source : RBI Website 4



Mobile Banking Service

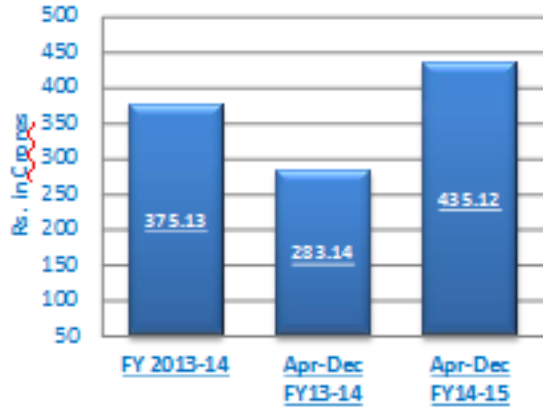
	FY 2012-13	FY 2013-14	Nov'13	Nov '14	Y-o-Y growth over Nov '13 (%)
<u>Registered Users</u> (cumulative) (in lacs)	62.21	95.43	82.42	121.71	48%
Users registered during the period (in lacs)	25.76	32.74	20.21	26.28	30%
Total Transactions					
Number (in lacs)	367	531	330	463	40%
Value (Rs.in crores)	1952	3763	1856	5636	203%

- Registered users grew by 48%
- Number of transactions grew by 40%

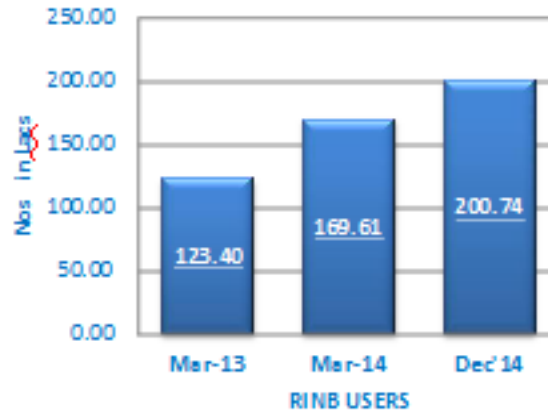


e-Commerce and Internet Banking

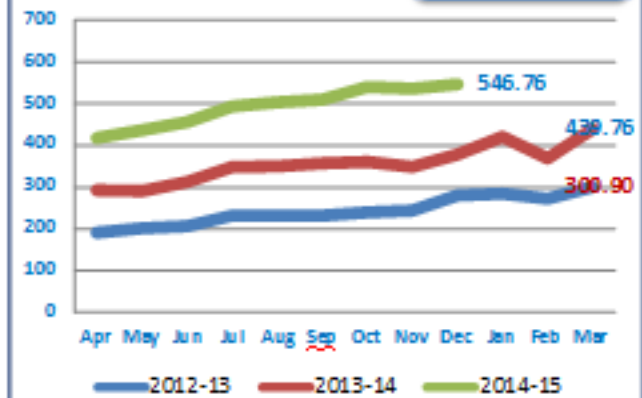
e-Collection + e-Payment + INB services
Growing fee income



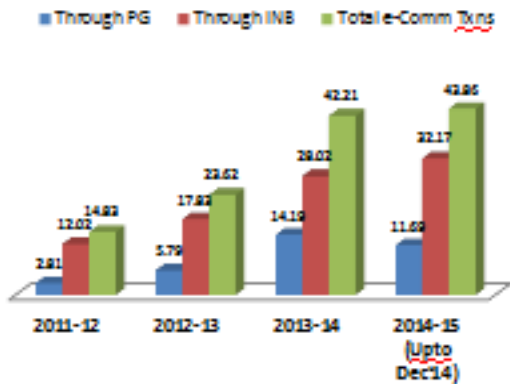
Rising Popularity of Retail INB



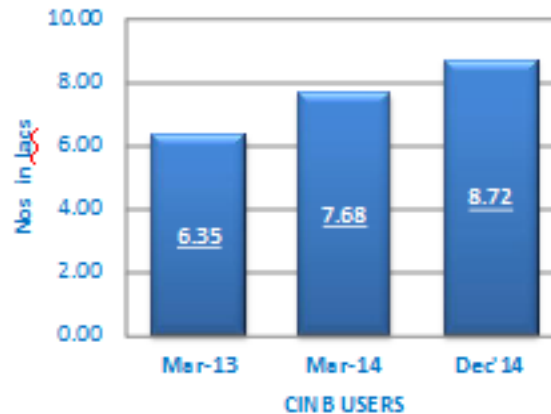
Retail INB Transactions
(Nos in Lacs)



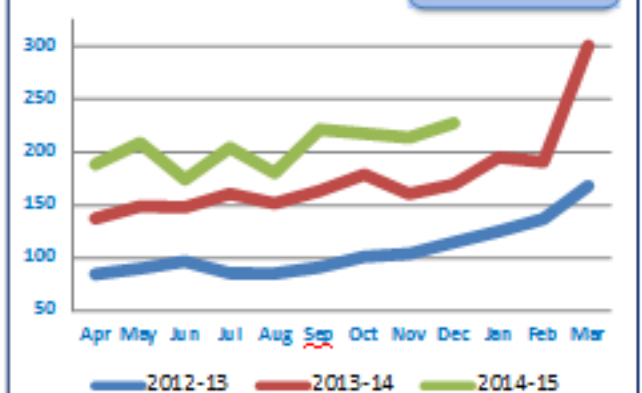
e-Commerce Transactions
(PG & INB) (in crs)



CINB also Picking Up



Corporate INB Transactions
(Nos in Lacs)





Financial Inclusion Project

- **Started in 2004 – 05 to improve access to financial services for the financially excluded**
- **Creation of a new channel called Business Correspondents**
- **Business model to make it viable for the agents and Bank**
- **Infusion of high technology at low cost to prevent frauds like bio-metric, contactless cards, mobile devices etc**
- **Regulatory push to make the scheme a success**
- **Incentive for the customer to receive payments at his door step and an opportunity for the banks to make money**



Project OLTAS

- **Started as an SBI internal project in 2003**
- **Became an IBA Project in 2003 – 04**
- **Daily upload of IT Receipts to NSDL with 100% accuracy**
- **Facilitated early settlement of funds with govt.**
- **Faster updation of records and online validation of PAN number with NSDL**
- **Facility is used for validating PAN numbers as part of AML and KYC compliance**
- **Facilitated easy reconciliation between banks and IT Dept**



Project EPFO

- **The Bank was associated with the computerisation of EPFO**
- **The customers upload their employee particulars in epfo site**
- **The system generates the challan for payment and units can pay the amount through Internet Banking or the branch**
- **The records are updated daily and all the 120 regional offices get particulars of companies that have remitted money**
- **It has eased EPFO operation and facilitated EPFO to permit to transfer accounts across companies**



Project Govt Payments

- **Salary payments of all employees to be done through CINB**
- **All employees were forced to open account with the banks**
- **All treasuries in MP were computerized**
- **All treasuries upload the salary file from the treasury solution thru CINB and for account holders in other banks amount remitted thru NEFT**
- **Subsequently all other payments made thru this system**
- **Centralised team to handle complaints**
- **Greatly facilitated management of funds**

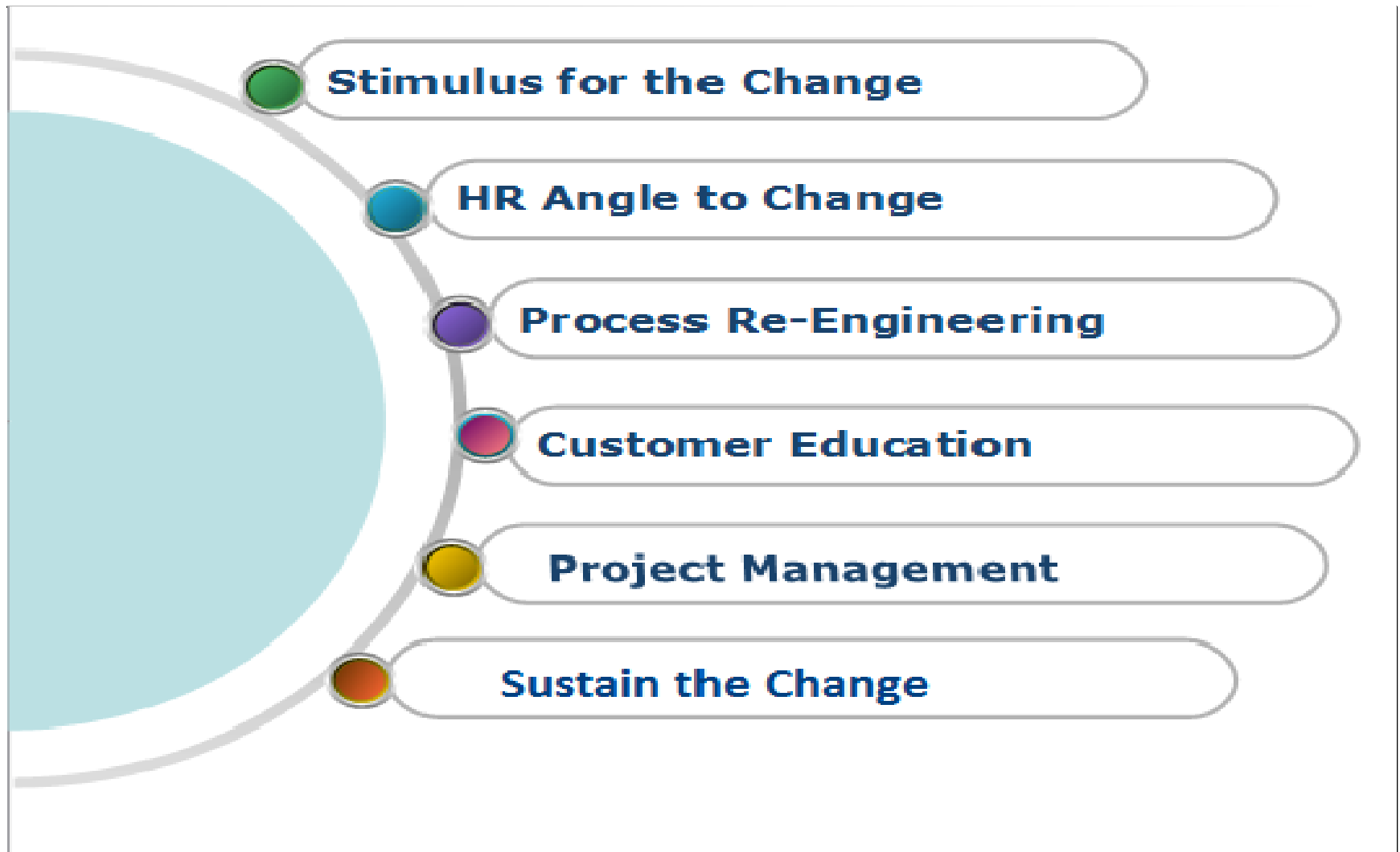


Complexity of Change

- **Every change management exercise involves preparing for the Change and Managing the Change**
- **It involves preparing for what to change, the change management team, level of executive sponsorship, preparing the change management plan and implementation of change management**
- **Implementation of complex change involved huge preparation, high capital outlay and more active commitment of Top Management**
- **Complex changes are irreversible and unless planned carefully can be inefficient**



Change Management Stages





Stimulus for the Change

- Both internal and external factors provided impetus for computerization
- **Phase – I** Era Sezhiyan Committee Report on inter-branch reconciliation, balancing of books, customer service etc
- **Phase – II** Liberalisation and better accounting standards, competition from new banks, inability of manual processes to cope with volumes
- **Phase – III** Competition from new banks, need to open newer channels, customer expectation, regulatory pressures
- **Phase – IV** Realisation of risks in computerized operations, Regulatory prescriptions, Governance of IT as it has become a strategic asset



HR Angle to Change

Understand the Logic

The logic from the analysis feeds into the creation of the compelling situations

Change Behavior

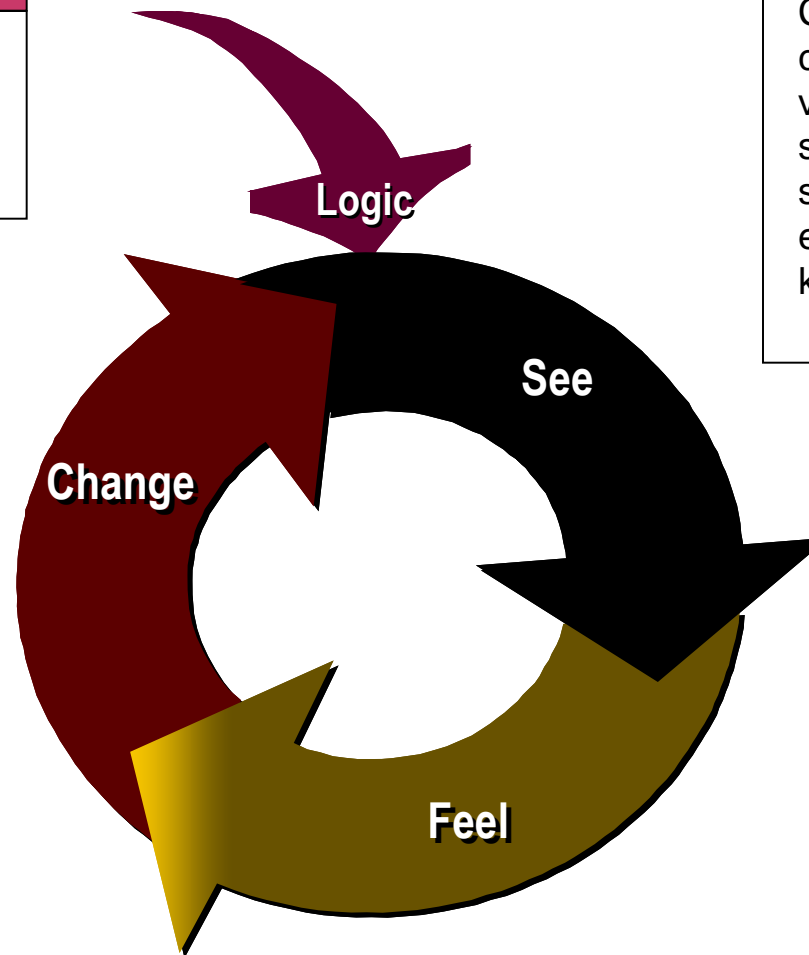
Emotionally charged ideas change behavior or reinforce changed behavior

Help People See

Compelling situations are created to help others visualize problems, solutions, or progress in solving issues, strategy, empowerment or other key problems

Hit the Emotions

The visualizations provide useful ideas that hit people at a deeper level than surface thinking. They evoke a visceral response which reduces emotions that block change and enhances those that support it.





HR Angle to Change

- **Placement policy for officers in DP Centres**
- **Policy, productivity and compensation norms for data entry operators and supervising staff**
- **Identification of activities to be computerised**
- **Creation of new officer stream for specialist IT officers**
- **Creating the IT infrastructure for training to staff, E-learning, help desk and internal social media to augment knowledge**
- **Policy for outsourcing of activities**
- **Change in the recruitment processes for staff**



Business Process Re-engineering

- **BPR for smaller projects can be done with internal expertise**
- **Where there is a dramatic change in the processes is to be carried out better to identify suitable consultants to assist you**
- **Prepare an in-house team to work with the consultants to bring domain knowledge**
- **Document all the processes to be changed**
- **Do a proof of concept of revised processes to test the efficacy of the solution and carry out modifications based on the POC**
- **Perform a calibrated roll out**



Customer Education / Migration

- **Prepare a channel migration strategy**
- **Start small learning centres for customers**
- **Start help centres for resolution of customer problems / queries**
- **Prepare comprehensive Standard Operating Procedure for resolving customer complaints**
- **Prepare a comprehensive compensation policy for customer grievance**
- **Start customer outreach through social media / web-site**



Project Management

- **All change management projects should have proper communication to all stake holders before start of project**
- **Proper project plan with deliverable at each stage should be drawn up**
- **Project monitoring group should be set up and meet at periodic intervals**
- **Top management commitment essential for success of large projects**
- **Create short term wins to keep interest in long term projects**



Sustaining the Change

- **Conduct Customer Satisfaction Survey**
- **Sponsor assessment of the change**
- **Stakeholder awareness survey**
- **Targeted Reinforcement strategy**
- **Performance management system revamp**
- **Performance alignment with management strategy**
- **Training employees in challenges of change**
- **Continued Investment and compliance to guidelines**



THANK YOU