



The Computerworld Honors Program

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Final Copy of Case Study

LOCATION:
*Mumbai,
Maharashtra, India*

YEAR:
2011

STATUS:
Laureate

CATEGORY:
Collaboration

ORGANIZATION:
Reliance Capital Limited

ORGANIZATION URL:
<http://www.reliancecapital.co.in/>

PROJECT NAME:
Straight Through Processing using Collaboration

PROJECT OVERVIEW

Reliance Capital (RCAP) is part of the Reliance Anil Dhirubhai Ambani Group which has interests in Telecommunications, Media, Power & Infrastructure. It is India's 3rd largest Financial Conglomerate and amongst the most valuable Financial Services Companies in the Private Sector Reliance Capital has strong presence in asset management and mutual fund; life and general insurance; commercial finance; stock broking; depository services; investment banking, private equity and proprietary investments; exchanges, asset reconstruction; and other activities in financial services. Reliance Capital has business operations spread across Domestic and International geographies. RCAP has a diverse distribution model to reach its customers. Branch network, Tie-ups with other business, Advisories and consultants associated with each line of businesses are also some of examples of the diversity. This diversity of distribution model brings complexity in conducting seamless operations and an immense need for collaboration across lines of businesses and functions. Such a collaborative environment is required to develop best practices of governance, quality, efficiency & productivity, reusability and knowledge management. This provides not only best in class customer experience, but also operational ease and shorter cycle time (TAT) with reduced costs. RCAP's IT Team's main objective is to provide strategy, governance and support for all aspects of the BPM program including functional and technical expertise, thus leveraging the strength and agility of Technology. Also, it has a focus to adopt best practices approach and promote reuse of design patterns and components across all its line of businesses. A key IT strategy for RCAP is to enable and support innovative financial services with the help of latest technology. Major processes lies outside core systems capability. There was a need of integrating processes and workflows with multiple systems to provide a consistent TAT. RCAP wanted to establish a capability to continuously improve processes, to alter them with changed business models or launch new products and to run such automated processes in both an online and offline manner. RCAP has moved from discreet workflows and multiple handoffs to a more coherent and integrated framework with predictable TATs. It has now possible for RCAP to


create standard workflow offerings on the BPM platform and replicate them in different business situations. Modifications of workflows in a dynamic manner and ability to do in-flight changes have played a key role in our BPM implementation success. Implementation of BPMS has helped RCAP to lay down concrete system architecture. Today this initiative has encouraged people at RCAP to collaborate and actively participate in the process optimization. Enterprises often use BPM tools for optimizing the performance of end-to-end business processes that span functions, as well as processes that might extend beyond the enterprise to include partners, suppliers and customers. RCAP gives higher priorities to management disciplines. Over a period, RCAP has developed ability to sense and effectively respond to changes in business patterns. Since the durability of operational best practices is shorter, causing more-frequent adjustments to operational processes and even in-progress business transactions, the Organization needs to respond to changing market dynamics and customer requirements.

SOCIETAL BENEFITS

Due to the adoption to Collaboration and automation, the RCAP and its LOB's were able to provide environment friendly solution to customers and society by reducing usage of paper for printing leveraging digitization technology of BPMS resulted into saving of 50 Tonnes of CO2 emission in environment.

PROJECT BENEFIT EXAMPLE

Success With automated process RCAP has overcome following situation - Longer Issue resolution Time - Expensive manual movement documents - Complicated work distribution among teams - High document transportation and courier costs - Manual tracking - Distributed Information With these automations, RCAP has forced each employee, external entities to participate contributing in organizational processes. Here are few numbers to measure the effect. - More than 1,000 agents, operating wide geographic spread of the country in remote locations - More than 100,000 application per day - More than 300,000 active applications at any point in time - Sustained quality response time in peak season - 99.5 % System uptime RCAP's BPM System Implementation has benefiting many applications, sister organizations and global communities as well in many ways. - Return on Investment (ROI) achieved within three months of implementation. - The solution supports more than 2000 concurrent users & volumes of up to 100,000 new requests per day - Turn Around Time (TAT) slashed from 2 weeks to only 1 day - Significant reduction in Transaction costs - Real-time visibility and control over status of every request - Massive Quality improvement by reducing errors - Achieved greater Customer satisfaction by meeting SLA's - Enabled services via multiple customer touch points RCAP has got a control over implementing dynamic process logic by defined configurable and parameterized processes by means of which changes can be rolled out in minimum of 3 to 4 hours time. "Every organization's greatest assets are its processes and we tried to automate them. I'll not comment that we passed or failed. Let the numbers say it", Sandep Phanasgaonkar, President & Group CTO, RCAP "We ask our channel partners to be part of the solution, and we start experiencing magical moments." Mohan Chandrasekaran, CTO, Reliance Life Insurance Co. Ltd. "Our business is about technology, yes. But it's also about operations and customer relationships", N. Sriram, CTO & Head Operations, Reliance General Insurance Co. Ltd. "In the beginning we struggled a lot. But today we are happy on achieving it", Shashi Ravulapaty, Head Information Technology, Reliance Commercial Finance Co. Ltd. RCAP is now looking forward to automate more processes such as, - Offline lead management through emails - Collections process automation - Real time Case/ Lead/ Proposal Tracking from Inwarding to disbursement across departments and



applications. - New business from Proposal to Inwarding to Policy generation
- Policy Tracking System functionalities - Audit of underwritten products for monitoring approval levels and amounts - BRMS for rules management to consolidate various hard coded rule definitions across departments. - Offline Simulation and Optimization module

IS THIS PROJECT AN INNOVATION, BEST PRACTICE? Yes

ADDITIONAL PROJECT INFORMATION

Implementation of Service Oriented Architecture (SOA) was a key distinguishing factor for its road to success. System integration or data exchange was main issues to address. RCAP, as it was maturing while implementing BPMS, tried all traditional system integration approaches viz. adapters, API calls, MQ, ODBC/JDBC, etc. Over a period, integration itself becomes another area to focus. With abilities to host the services, application integration approach has changed to service bus. Optimized processes are getting converted to services offering less hassle to manage them and increasing their reusing capabilities. RCAPs' Process Analysts are interacting with business line owners and creates process models. They get consensus from stakeholders by showcasing Process models and simulation. RCAP's BPMS team deploys process solutions with minimum efforts. Progress has helped RCAP in the early stages of implementation. RCOM further matured with its independent IT team which is now managing the whole show. Often the most innovative projects encounter the greatest resistance when they come to battle ground. Getting consensus of all stakeholders for defining changes to process was the first speed breaker. Well defined change management process where stakeholders share their views in a common forum has addressed the obstacle. While implementing the solution, RCAP faces few technical problems such as connectivity issues, OS limitation of storing images in a single folder, integration issues, etc. Root cause analysis, Progress' timely help on product fix and changing the integration approaches to SOA way has help RCAP to overcome them. The genesis of the Project lied in cohesive process implementation across various functions through automated process workflows, thus defining a new benchmark in the Insurance Industry by reducing processing error rate by 67% and reducing operational cost by over 45%. The Project was initiated with the objective of achieving the Information Technology objective of achieving "Straight Through Processing", and enabling the business to conduct operational activities in an defect-free automated environment. Replacing the conventional integration models (MQ based), the integration touch-points were made Service Oriented Architecture (SOA) compliant by implementation a solution using both, MQ & Web Services, driven by Reliance Life Insurance Company's Business IT Team's commitment to Continuous Solution Improvement Objective. This process allows the flexibility to allocate work-items via simple parameter settings. With increasing budget reductions and reducing operational spending capacity in the industry today, an important challenge to the implementation was the capability to create a dynamic solution that provides for centralized as well as de-centralized New Business Processing. This challenge was effectively met by the solution when the Organization Outsourcing Strategy for 2008 was implemented with a dynamic approach of partly centralizing and partly decentralizing the New Business Process, by de-consolidating the Process based on Products. This solution allowed for facilitating certain process steps in the New Business Process to be conducted in an Offline manner, thus reducing the cost of operational spending. Thus, the capability of the solution implemented enabled the Organization to multiply its expectations from the solution from merely Process Automation to Defect Reduction & Cost Savings.