

managementVoice

(A Thrissur Management Association Publication)

TMA'S CALENDAR - EVENTFUL & IMPACTFUL



Management Development Programme By Mr. Ajit G Paul
(Co-Founder - Giftolexia Solutions Pvt. Ltd.)



Final Round Presentation of 11th TMA-Hykon Business Plan
Contest (Virtual Mode)



Education - The Indian Way or Western Way? Zoom Webinar
by Dr. Sajimon Antony (General Secretary, FOKANA)



CA. T S Anantharaman (Former Chairman, CSB Bank) on
"Indian Economy - Opportunities Post COVID"



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(Opinions expressed in this journal are those of the authors and need not be endorsed by TMA.)

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"At the TMA, we have a responsibility to behave responsibly, and that has meant that our events and functions have all moved to the virtual sphere, where meetings are easy and even convenient, but lack the warmth and sheer pleasure of connecting face-to-face with fellow members."

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Note: Management Voice solicits original articles (published/unpublished) from its members. Kindly email your contributions to The Honorary Secretary at tma.tcr@gmail.com with "Article for TMA Voice" in the subject line.



From The Chief Editor



Pandemics come in waves, but life must go on

After a torrid phase when the second wave wreaked havoc across India, there is now a palpable sense of relief that the worst is over. But then, questions are already being raised about when we may expect to see a third wave. The media has religiously been reporting many dire warnings about how close we are to a third wave and, from the reaction of the people around us, much of it appears to have fallen off like water off a duck's back. After close to one and a half years of life under a "new normal", people now suffer from a "pandemic fatigue" and all they would like to do is to live their lives the way it was before Covid-19. At the TMA, we have a responsibility to behave responsibly, and that has meant that our events and functions have all moved to the virtual sphere, where meetings are easy and even convenient, but lack the warmth and sheer pleasure of connecting face-to-face with fellow members. Today, with vaccinations having gathered pace, it's fair to say that we all look forward eagerly to the day when we can meet and shake hands, and have conversations with good cheer and the usual backslapping. I am sure that day is not far off but in the meantime, here is a round-up of the articles we have lined up for your reading pleasure.

In this issue

TMA's Past President and the MD & CEO of Manappuram Finance, Mr. V.P. Nandakumar, draws attention to the fact that despite all the emphasis on improving ease of doing business, gold loan focused NBFCs with more than 1,000 branches still require prior approval from the RBI before opening a new branch anywhere in India. Even more even more surprising is that there are 9,000+ NBFCs in India regulated by RBI, but this restriction applies only to three gold loan focused NBFCs, viz. Manappuram Finance, Muthoot Finance and Muthoot Fincorp. His article is titled "A suggestion for RBI's regulations review authority."

In the age of Uber, Ola and a host of other ride-sharing apps, our past secretary CA Anantharaman has contributed a timely article, "Car ownership options," that assesses the relative benefits of owning a car versus renting one. He has examined the merits and demerits of car ownership compared to the car subscription, rental, or lease options. His conclusion is that If you are keen to have an ownership experience (as when the car belongs to you), buying a car is certainly better. However, if you want to follow an "asset lite" strategy, where you want to avoid hassles and headaches, the second option would work best for you.

Dr. Chacko Jose P., Associate Professor of Economics, Sacred Heart College, Chalakudy, has contributed an article on the emerging knowledge economy. His prescription is that knowledge being the key to success, educational policymakers should move away from the traditional educational system to focus more on producing higher-skilled university graduates. The neglect that India's policymakers have shown towards knowledge creation is incomprehensible even in the context of a justifiable desire to provide universal literacy and free elementary education to children below fourteen.

In our “TMA Interviews” section, we carry an interview of Mr. Murali Ramakrishnan, MD, South Indian Bank, who talks at length about the digital banking revolution. He also spells out his “Vision 2024”. Do read the full interview here which gives us a glimpse of the Bank’s readiness to lead the digital revolution in banking, and also its commendable emphasis on inclusion and gender diversity, by promoting employment of women.

“The dynamics of full engagement” is the title of the article contributed by Dr. P.S. Krishnamurthy. In the words of the author, “Mind and body are so well connected, even moderate physical exercise can increase cognitive capacity. Exercise also is believed to stimulate more production of a chemical – brain derived neurotrophic factor (BDNF) which help repair brain cells and prevent further damage. Every time you learn something new, it builds new connection to the brain cells.”

In his article “A peek into my professional career”, Er. V.R.U. Menon shares his experiences and observations over the course of a five-decades long career in the building and construction industry. His suggestion is that management schools should update their curriculum based on the developments taking place in the construction industry as it offers many practical insights for managers.

In the article, “Customer Service,” Mr. Bhuvana Chandran C., a life-member of TMA, makes the point that while customer service is sacred in the US, Europe and other developed countries, it is yet to mature to its deserving importance in India. Most of the complaints are not properly attended to, or solved to the customers’ satisfaction, and it needlessly escalates into a behavioural issue which can destroy even the good reputation of a quality product and organization. Considering that many of our commercial establishments display a framed quote by Mahatma Gandhi on customer service, this is something we must address on a priority.

Finally, we have the usual complement of our President’s message, the Secretary’s report with its comprehensive record of all activities of TMA during the last couple of months, and the Business and Management Quiz, not to mention the advertisements by our sponsors that keeps this magazine going.

Happy reading!

Ranjan Sreedharan,
Chief Editor

Message From The President



“Surround yourself with the best people you can find, delegate authority, and don’t interfere as long as the policy you’ve decided upon is being carried out.” –

Ronald Reagan

Esteemed Members of TMA,

The second wave of COVID19 was unexpected. We thought the economy would be recovering as the cases were decreasing but it belied our expectations. On average two lakh people were affected daily, even in Kerala there were days when more than thirty thousand cases were reported. The government had taken strict actions and the state was in a complete lockdown for a month and a half. The death toll in our state had crossed eleven thousand or so during this period, due to which things took a tragic turn which nobody expected.

Despite all these calamities, TMA was able to conduct programmes for the benefit of our members. A Management Development Programme was conducted on 8th April 2021 at the Management House, the faculty for the programme was Mr Ajit G Paul, an International Trainer, and the delegates were very much impressed by the session. Once the COVID-19 restrictions are back to normal, TMA wishes to conduct another MDP soon.

The months of April and May were quite hectic for TMA as there were various activities conducted. One such event was a Zoom webinar which was conducted on 27th April. Dr. Rajesh Nanarpuzha, a faculty at IIM Udaipur was the main speaker, and the topic was **“Maintaining a Relationship with Elusive Customers”**.

The interview for the TMA TR Raghavan memorial award for the Best Management Student was conducted on 28th April and Mr TN Ramaswamy, Er. Anand Menon P., and Er. Gopalakrishnan M.R. were the panel judges.

TMA organized a joint programme with the Bankers Club Thrissur on 12th May, Dr.(Major) Rajesh Nambeesan and Shri Sreedharan Namboodiri were the main speakers of the event and the topic was **“Health and Happiness”**.

TMA lost one of its senior members, CA Sukumara Menon V. on 20th May. I express my sincere condolences to his family. CA Sukumara Menon was a role model to all the TMA members. He was very prompt in attending all the seminar sessions conducted by TMA. Even in his late eighties he would drive himself and attended the programme no matter how late it was. Surely, he’ll be missed and let’s pray his soul rests in peace.

TMA conducted a webinar session on **“Relevance of Corporate Social Responsibility”** on 21st May. Mr. Nixon Joseph, president and COO, SBI Foundation was our chief guest.

For the past eleven years, TMA has been conducting the TMA Hykon Business Plan Contest for the Young Entrepreneurs, Er. Christo George is the sponsor of the event. Every year he donates one lakh rupees towards the prize amount. This year the contest was held on 22nd May via Zoom and

Mr T.N. Ramaswamy, Er. Anand Menon P. and Er. Gopalakrishnan M.R. were the panel judges.

Er. Francis George, the joint secretary of TMA is a person with a lot of international connections and with his support Dr Sajimon Antony, General Secretary FOKANA USA was our main speaker for a zoom webinar on the topic "Education – The Indian way or Western way." The session was held on 27th May.

TMA, under the leadership of CA Manoj Kumar, inaugurated the TMA KAU MBA Students Chapter on 30th May. The chief guest was CA T.S. Anantharaman, Past President of TMA, and the topic of the session was "Indian Economy – Opportunities Post Covid-19".

TMA had planned several activities for June and July (2021), but due to the pandemic, they have been kept on hold. The Award Night which was supposed to happen on 26th May and the Annual Convention sometime in June are also on hold. I would like to thank the South Indian Bank for the generous financial offers they have provided to conduct both events. Once a conducive environment is formed, TMA hopes to host these programs during July accordingly.

Looking forward to your support and guidance in the coming years.

With Warm Regards,

Dr. V M Xaviour
President, TMA

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Secretary's Report



Dear Member,

Greetings from TMA!!

I am delighted to present before you the various activities of TMA during the period from April 2021- May 2021

Membership and Induction of New Members

Life Members

1. Mr. John T P
2. Mr. Jacob Raphael

Sad demise of TMA Life Member CA. Sukumara Menon V

We, the members of Thrissur Management Association (TMA) learnt with profound shock and sorrow, the sad and sudden passing away of Life Member CA Sukumara Menon V on May 20, 2021.

The Managing Committee meeting of the Thrissur Management Association held on 20th May 2021 condoled the sad demise of CA. Sukumara Menon V. The meeting was chaired by President Dr. V Xaviour and Members observed one minute silence as a mark of respect to the departed soul.

Managing Committee Meetings

During the period Two Managing Committee meetings were held

Management Development Programme

TMA has organized a full day Management Development Programme on 8th April 2021 at TMA Management House. The topic of the session was "Reaching The Next orbit: Why it Matters? What it takes? How do you go about it?"

Mr. Ajit G Paul (Stanford Seed Consultant, Business Transformation Advisor at Digital i2o; Co-Founder - Giftoloxia Solutions Pvt. Ltd.) was the resource person of the session.

It was a very informative, participative, and useful session attended by 25 delegates.

ZOOM Webinar

TMA has organised a zoom webinar on the topic **Maintaining a Relationship with Elusive Customers** on 27th April 2021. Dr. Rajesh Nanarpuzha (Faculty, IIM Udaipur) was the chief guest of the session.

Er. Vinod Manjila welcomed all participants, Dr. V M Xaviour delivered the presidential address. Honorary Jt. Secretary Er. Francis George formally introduced the Chief guest and CEO Geo Job proposed the vote of thanks.

It was a highly interesting and thoughtful interactive session attended by 90 members

TMA Management Voice Release

Second volume of TMA Management Voice was released on 27th April 2021. Chief Editor Mr. Ranjan Sreedharan narrated contents of the magazine.

TMA- T R Raghavan Memorial Best Management Student Award Interview (Virtual)

TMA- T R Raghavan Memorial Best Management Student Award Interview was conducted on 28th April 2021 through ZOOM. 5 candidates from 5 business colleges attended this interview.

TMA - T.R. Raghavan Memorial Best Management Student Award is conferred on the best management student in the MBA Program conducted by recognised Universities and studying in a management institution situated in Thrissur district(Kerala)

Mr. T N Ramaswamy (TMA MC Member), Er. Anand Menon(TMA Past President) & Er. Anand Menon (TMA Past President) were on the panel of judges for the event.

Joint Programme with Bankers Club Thrissur

TMA Has organised a ZOOM webinar on Health and Happiness on 12th May 2021. Dr. (Major) Rajesh Nambissan & Shri Sreedharan Namboodiri (Faculties at Art of Living) was the session speakers of the event.

ZOOM Webinar : Relevance of Corporate Social Responsibility (CSR)

Another webinar on the topic **Relevance of Corporate Social Responsibility (CSR)** was held on 21st May 2021. Mr. Nixon Joseph, President & COO, SBI Foundation, was the chief guest of the evening.

Final Round Presentation of 11th TMA-Hykon Business Plan Contest (Virtual Mode)

Final Round Presentation of 11th TMA-Hykon Business Plan Contest was held on 22nd May 2021 through ZOOM. 9 Teams were participated in the final rounds.

Mr. T N Ramaswamy (TMA MC Member), Er. Anand Menon (Past President) & Er. Gopalakrishnan M.R. (Past President) were on the panel of judges.

Hon. Secretary, Mr. Pratap Varkey welcomed all participants, Dr. V M Xaviour delivered the presidential address. Er. Vinod Manjila Sr. Vice President, formally introduced the Jury Members. Inaugural address was delivered by Er. Christo George (CMD Hykon) and Past President of TMA. CA. M Manoj Kumar M. briefed the audience about the 11th Hykon BPC and Vice President Mr. K Paul Thomas proposed the vote of thanks.

Zoom Webinar By Dr. Sajimon Antony (General Secretary, Fokana)

TMA organized a webinar on EDUCATION - The Indian Way or Western Way? on 27th May 2021. Dr. Sajimon Antony, General Secretary, Federation of Kerala Associations of North America (FOKANA), was the session speaker at the event.

Inauguration of TMA- KAU MBA (ABM) Students Chapter (Virtual)

Inauguration of TMA- KAU MBA (ABM) Students Chapter was held on 30th May 2021 through ZOOM. CA T S Anantharaman (Past President & Former Chairman, CSB Bank) inaugurated the chapter activities

Student Chapter Webinar : Indian Economy - Opportunities Post COVID

TMA conducted a webinar for TMA Students Chapter on 30th May 2021. The topic of the session was Indian Economy - Opportunities Post COVID. CA T S Anantharaman (Past President & Former Chairman, CSB Bank) was the guest speaker of the session.

With best wishes for your good health and safety.

With warm Regards,

Prathap Varkey
Hon. Secretary, TMA

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By V.P. Nandakumar

A SUGGESTION FOR RBI'S REGULATIONS REVIEW AUTHORITY

To promote the next level of financial inclusion, let us remove restrictions on opening new branches that currently apply only to gold loan NBFCs

Recently, the Reserve Bank of India (RBI) set up of a Regulations Review Authority (RRA 2.0) to review its regulations internally, and in consultation with other stakeholders. The RRA will focus on streamlining regulatory instructions and reducing the compliance burden of regulated entities by simplifying procedures and reducing reporting requirements. Accordingly, the RBI invited leading industry bodies such as CII, FICCI and ASSOCHAM to offer their suggestions following which these bodies called upon their members to list out such issues.

At Manappuram, we responded by pointing to a long-standing concern, the fact that gold loan focused NBFCs with more than 1,000 branches still require prior approval from the RBI before opening a new branch anywhere. The rule came into force sometime in FY 2012-13, a time when there was real concern among policymakers about rising gold imports and the widening current account deficit (CAD). The feeling then was that gold loan NBFCs were somehow contributing to the import surge. That impression was later dispelled by the RBI itself when the working group it had appointed to study all these issues related to gold and gold loans (the K.U.B. Rao committee) submitted its report in 2013. The Rao Committee report categorically stated that "there is also a need to increase monetization of idle gold stocks in the economy for productive purposes. Encouraging loans against the collateral of gold for productive purposes may be a way to do this." It observed that the financial performance of the gold loans

NBFCs and their borrowings from the banking system have no immediate systemic implications for domestic financial stability arising from the interconnectedness of gold loans NBFCs and the banking system.

However, the requirement to obtain prior approval from RBI before opening new branches continues to be in force to this day. What's even more surprising is that there are 9,000+ NBFCs in India regulated by RBI, but this restriction applies only to three gold loan focused NBFCs, viz. Manappuram Finance, Muthoot Finance and Muthoot Fincorp. That's because there are only three gold loan focused NBFCs that have more than 1,000 branches.

It is well-known that India's economic growth is constrained by the capital crunch faced by its financial system which impairs its ability to provide much-needed credit for economic activities. On the other hand, the leading gold loan NBFCs don't face a capital crunch but they must reckon with artificial restrictions when they step up to address the yawning gap in the supply of credit. That leaves vulnerable sections of society at the mercy of moneylenders and pawnbrokers. Anyone familiar with the gold loan business would know that gold loan NBFCs cater mostly to the marginalised sections who lack access to banks, especially in rural and semi-urban areas. More than two-thirds of the gold loans given by NBFCs are microloans by nature, averaging amounts of less than Rs.50,000. And when you have a time-consuming process of prior approval for each new branch we wish to

open, it becomes a bottleneck to the flow of credit to the unbanked sections of society. They are left with no alternatives but to continue to depend on the unorganised sector whose loans come with high interest rates and adverse terms.

On the other hand, institutional gold loan providers (banks and NBFCs) are regulated by the RBI and provide a fairer and more transparent loan against gold jewellery, thereby drawing customers away from non-institutional lenders operating without regulatory oversight. But then, banks face the challenge of limited reach. Also, with multiple products vying for attention, small ticket gold loans of short tenures hold little attraction for them. Gold loan NBFCs face no such constraints and thanks to their low operating costs, are well placed for last mile delivery of credit. They have won recognition as pioneers who have professionalized this traditional activity and introduced transparency, technology, and scale to the business. They were instrumental in reducing the dominance of the unorganized players in gold loan and thus paving the way for the rest of the banking sector to follow.

Over the years, we have seen anecdotal evidence that whenever gold loan NBFCs open a new branch in a semi-urban or rural location (where other banks and NBFCs are not present), the mere entry into the market causes a drop in the interest rates that moneylenders of the locality charge. What happens is that once an organised sector gold loan lender enters a new territory, it begins to pose stiff competition to the moneylenders

and pawnbrokers of the area who ruled the roost till then. Therefore, an unintended consequence of policies that curtail branch expansion by gold loans NBFCs is that it effectively strengthens the hands of the unregulated local financiers at the cost of marginal borrowers.

Gold loan NBFCs deserve encouragement from the policymakers to lead the way for institutional lenders to gain market share from the unorganised moneylenders who control two-thirds of the gold loan market even today. Gold loan NBFCs have a unique business model, funding small and marginal borrowers, who would otherwise end up borrowing from moneylenders and loan sharks. These borrowers would rarely have a regular source of income or possess documentary evidence to prove creditworthiness. Unlikely to have a valid credit score, they face difficulties in getting loans from banks and other NBFCs. Gold loan NBFCs not only create a credit culture among the marginal borrowers but also establish a credit history, enabling them to move up the ladder and gain access to banks and other NBFCs in due course. Accordingly, the RBI's Regulations Review Authority should seriously consider recommending an easing of the restrictions on opening new branches by gold loan NBFCs to promote financial inclusion in every nook and corner of the country. □

(Shri V.P. Nandakumar is MD & CEO of Manappuram Finance Ltd. and a Past President of TMA. Views are personal.)

CAR OWNERSHIP OPTIONS



By CA Anantharaman. T.R, FCA, MBA

All of us might have recently heard that, the son of a very rich industrialist, who is an MIT graduate, travels to his group's corporate office in Mumbai by UBER! He considers owning a car a headache. Is this true?

Is owning a car better or renting a car better? With the advent of technology, we have ubers, olas and other small players who have also adopted technology plying in our neighbourhood. Does it make sense to use them always?

Also, there are other options now a days like "self drivablerent a cars" like zoom cars, Revv etc.

Apart from this, many corporates like Hyundai, Mahindra, Mercedes Benz etc have come out with various plans where you can directly lease/

subscribe it from the company and return it after a specific period.

In this article, the idea is to simply capture the merits and demerits of ownership or otherwise, side by side, so that, the reader himself would be able to decide which is best suited for him/her.

If you want to have an ownership experience, where in, the car will belong to you, definitely buying a car is better. But if you want to follow an "Asset Lite" strategy, where you do not want to have any hassles or headaches, the second option would work best for you! □

The views expressed herein are of the author CA Anantharaman.T.R who can be contacted at vivektr@gmail.com

Own Car	Car Subscription/ Rental/ Lease options
The car belongs to you	It belongs to someone else, even though you may possess and use it for a specific period.
You can enjoy the feeling of ownership.	You will not get the feeling of ownership.
You can choose to keep the car as long as you want it.	It has to be returned after a specific period.
You can choose the model, colour etc.	Choice is restricted.
You can customise your car	Customization is not permitted.
You need to worry about the resale value.	Since you don't own the car, there is no need to worry about resale value.
You need to take care of the maintenance expenses, insurance premium etc.	This will be managed by the owner of the vehicle.
Monthly EMI will be higher than a normal rental plan.	Monthly rental will be lower than an EMI to acquire the vehicle.
If the total cost of ownership is taken, in the long run, ownership will be less expensive.	These options will be more expensive than owning a car, in the long run.
Once you decide to upgrade after a short term, it will be more expensive than a lease.	Will be cheaper to upgrade in the short term.
You must be worried about technological changes like BS VI, EVs etc	Technological changes need not be a botheration as the car does not belong to you.
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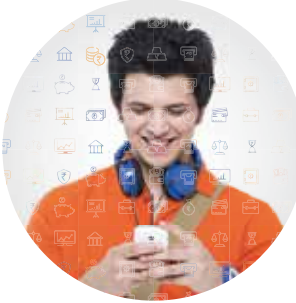
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THE EMERGING KNOWLEDGE ECONOMY



by Chacko Jose P., PhD

Introduction

During the budget speech 2021-22, the finance minister of Kerala, the government is working to turn Kerala into a knowledge-based economy. The finance minister said that the Kerala government is trying to make two major interventions in this direction, setting up a global job portal and promoting knowledge-based industries.

In the contemporary world, knowledge is the driver of productivity and economic growth. This has resulted in a renewed emphasis on the role of information, technology, and education in economic performance. The recognition of the role of knowledge and technology in modern economies led to the evolution of the knowledge economy. Education helps to increase national income and individual earnings. While the land was the primary source of wealth and income in agricultural societies, capital and machinery became important in industrial societies. Higher education is the primary source of that knowledge – its production, dissemination and its absorption by any society. Currently, economic development is dependent on the ability to generate knowledge-based products. The future of knowledge economies depends on knowledge-based goods. Higher education institutions are a significant source for providing the human capital required for knowledge production.

Knowledge enrichment enables human beings to have a better quality of life because they are better equipped to appreciate and acquire culture in the broadest sense of the term. Human beings have the right to be open to great paintings, music, theatre, poetry and arts. Their life will be more prosperous, their appreciation of values keener and their awareness sharper, with education.

Society moves forward with all the cultural and counter-cultural trends generated in the process. Knowledge management in India has undergone a paradigm shift towards deregulation, liberalisation, and internationalisation. The last decade or so has witnessed many changes and new trends in higher education in India, like the tremendous growth in professional and technical institutions, the emergence of more deemed universities, increased role of private initiatives and movement towards quality assurance in higher education.

Knowledge Economy

Let us first examine what knowledge economy is. The term “knowledge economy” was popularised by Peter Drucker, first in his 1966 book, ‘The Effective Executive,’ and later in his 1969 book, ‘The Age of Discontinuity.’ In traditional economic models, the production process and economic activities entirely depend on the four factors of production, land, labour, capital and entrepreneur. Nevertheless, in a knowledge economy, economic activity depends on intellectual capital rather than physical factors of production. Thus, the opportunity to benefit from scientific breakthroughs and basic and applied research form the foundation of a knowledge economy. While innovation and knowledge have always been important to the economy, some economists believe that the modern economy has become more knowledge-based in recent decades. The growth of high-tech manufacturing, the expansion of the service sector, the increase in self-employment, and the number of patents reflect this.

A knowledge economy is dependent on human capital and intangible assets rather than traditional factors. Innovation, analysis,

and rapid technological progress support and accelerate the knowledge economy. Information-intensive activities such as collection, analysis, and information synthesis account for substantial economic growth and employment generation in the knowledge economy. The rapid expansion of the knowledge economy is part of a broader change in developed countries, away from producing tangible goods and services to informational goods and services. Knowledge-based firms provide information-based services in medicine, accounting, finance, engineering, and law. These enterprises include education institutions, media institutions, professional organisations and scientific and technological research companies. Other examples of knowledge goods are the apps on a smartphone or video games in the gaming consoles.

A knowledge-based economy is one in which production, distribution and use of knowledge are the main drivers of growth, wealth creation and employment of all industries (OECD 1996). The knowledge-based economy should be qualitatively distinct from an industrial economy in its most basic form. This, however, is distinct from the knowledge economy, which has now come to mean the economy is centring around ICT. Higher education is the route through which India can move towards a knowledge-based economy.

The ease with which developed economies of the world entered into the trajectory of long-run growth has been attributed to endogenous factors. Investment in human capital for long periods and insufficient volumes has created built-in capacity, which led to continuous development in such countries. The importance given to education in the historical growth process of developed countries has invoked the response that investment in human capital may be as significant as an investment in physical capital in developing countries. Several factors characterise the knowledge economy. As already stated, knowledge and information are the critical drivers of production and economic progress in such an economy.

There will be massive changes in the growth patterns in the secondary and tertiary sectors too. In the secondary sector, the industrial growth pattern will shift to technology-intensive industries that require advanced technology and colossal investment. In the tertiary sector, growth will

be intensive in education, communication and data management. Knowledge is basically of two types. The first one is explicit knowledge made of facts, figures and information. The second type of knowledge is tacit knowledge that relies on more practical knowledge, such as the know-how of how things work, experience gained by doing, normative intuitions, and interpersonal skills. To a great extent, a knowledge economy depends on the second type of knowledge, tacit knowledge. The educational qualifications as it exist today are more focused on the generation of explicit knowledge. Nevertheless, since tacit knowledge will be prominent in a knowledge economy, traditional education falls outside the knowledge economy's scope. Thus, in a knowledge economy, there will be increased importance for imbibing the skills and ability to implement codified data.

Comparison with Traditional Economy

In many main ways, the information economy varies from the conventional economy:

- The economics is not of scarcity, but instead of abundance. Unlike most resources deplete when used, information and knowledge can be shared and grow through an application.
- The impact of location is reduced. Digital marketplaces and virtual organisations can be developed using appropriate technologies and methods to provide benefits such as speed and agility, round-the-clock service, and global reach.
- It's difficult to enforce laws, barriers, and taxes on a national level. Knowledge and knowledge 'leak' to where there is the most demand and the fewest barriers.
- Information-enhanced goods and services will command higher prices than products with low embedded knowledge or knowledge strength.
- Pricing and hence value depend to a considerable extent on context. As a result, the importance of the same information or expertise to different individuals at different times can be dramatically different.
- When locked into systems or processes, knowledge has higher inherent value than

when it can 'walk out of the door' in people's heads.

- In a knowledge-based organization, human capital - competencies - is a critical component of value, but few businesses disclose competency levels in annual reports. Downsizing, on the other hand, is often viewed as a constructive cost-cutting measure.

Advantages of Knowledge Economy

One of the key advantages of using knowledge as an economic resource is that, unlike other factors of production, knowledge is not facing the problem of scarcity. Since knowledge is an infinite resource, it does not get exhausted as it gets used in the production process. In contrast to other factors of production, knowledge as a resource can be shared with others since sharing knowledge can help supplement overall knowledge. In a knowledge economy, knowledge spillovers from one industry to another, augmenting the pool of knowledge. Another advantage of the knowledge economy is the possibility of enhancing automation of production processes resulting in dramatic shifts in the labour market. It may be noted that the new growth theories in economics emphasise the potential of skilled human capital in increasing knowledge which is capable of generating high levels of productivity. In a knowledge economy, human capital is more important than ever because companies need to recruit and retain employees who can adapt to the new economy. Collaborative networks could support the dissemination of information and the introduction of new working practices. This will create greater demand for skilled labourers.

India and Knowledge economy

India, one of the world's largest economies, has made considerable progress in economic and social development over the last two decades and is on track to rise much faster in the years ahead. The World Bank observes that India has entered a crucial juncture in its transition to an information economy. In the knowledge economy, a country's competitiveness is measured not only by its physical assets but also by its ability to effectively draw on its intellectual assets. The knowledge economy is perceived as the best chance for India to escape poverty by increasing overall growth

and per capita income. Several studies show that cultivating a stable information economy improves a country's Total Factor Productivity (TFP). Inspired by the 1998 World Development Report, the Government of India had initiated measures to transform the nation into a knowledge powerhouse. India developed a knowledge economy steadily, with significant developments in pharmaceuticals, medical sciences, and information technology. Despite its sizeable intellectual capital base, India still has a long way to exploit its wealth to develop a robust information economy. According to the World Bank, India is in the bottom three positions of the global knowledge economy. To promote the growth of a thriving knowledge-based economy, India has set up the National Knowledge Commission (NKC). NKC aims to establish institutional frameworks for educational excellence and knowledge development in science and technology laboratories. NKC will guide how to improve the management of organisations that deal with intellectual property rights. NKC will also make recommendations for fostering knowledge implementation in areas such as health, agriculture, and business and leveraging ICT capabilities in governance.

Conclusion

In a knowledge economy, since tacit knowledge is key to success, educational policymakers should divert the traditional educational system of learning by producing higher-skilled university graduates. The neglect that Indian planners have shown towards knowledge creation is incomprehensible even in the context of the desire to provide universal literacy and free elementary education to children below fourteen. The level of literacy remains high. Vast resources which should fruitfully move towards education, both higher and elementary, is expended in wasteful and unproductive activities. India, with the bulk of the population figuring in the working age. However, to utilise this demographic dividend effectively, India needs to impart adequate and appropriate skills to its workforce.

There was a transition in knowledge production and distribution with the arrival of the information age, the information became readily available. A person with minimum computer knowledge can now easily have access to all information. Knowledge was available literally, at fingertips.

The advent of the information era was marked by the Digital Revolution. It implicitly refers to the sweeping changes brought about by digital computing and communication technology during the latter half of the 20th century. The mass manufacturing and widespread use of digital logistic circuits and their derivative technologies, such as the computer, digital cellular phone, and

fax machine, are at the heart of this revolution. This leads to a dramatic social and cultural transformation of our society, particularly in terms of economic and labour market structures. □

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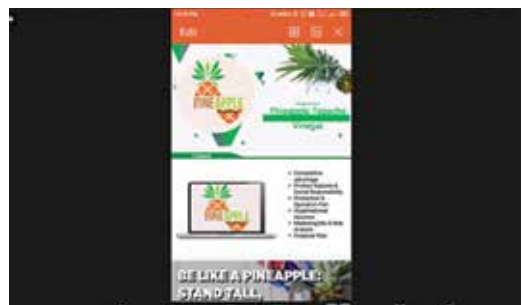
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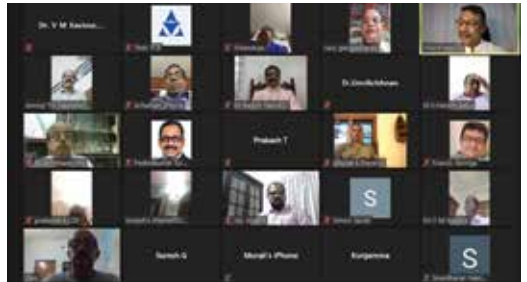
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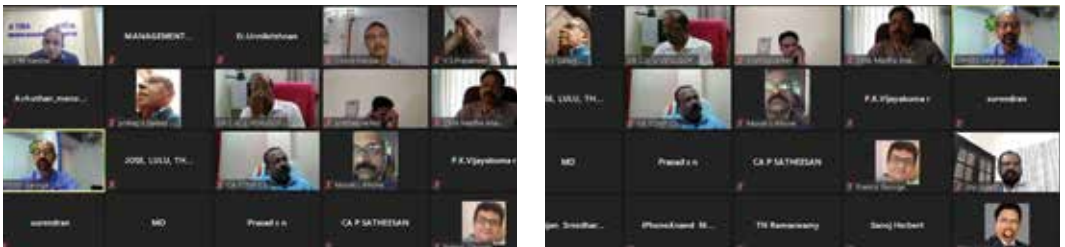
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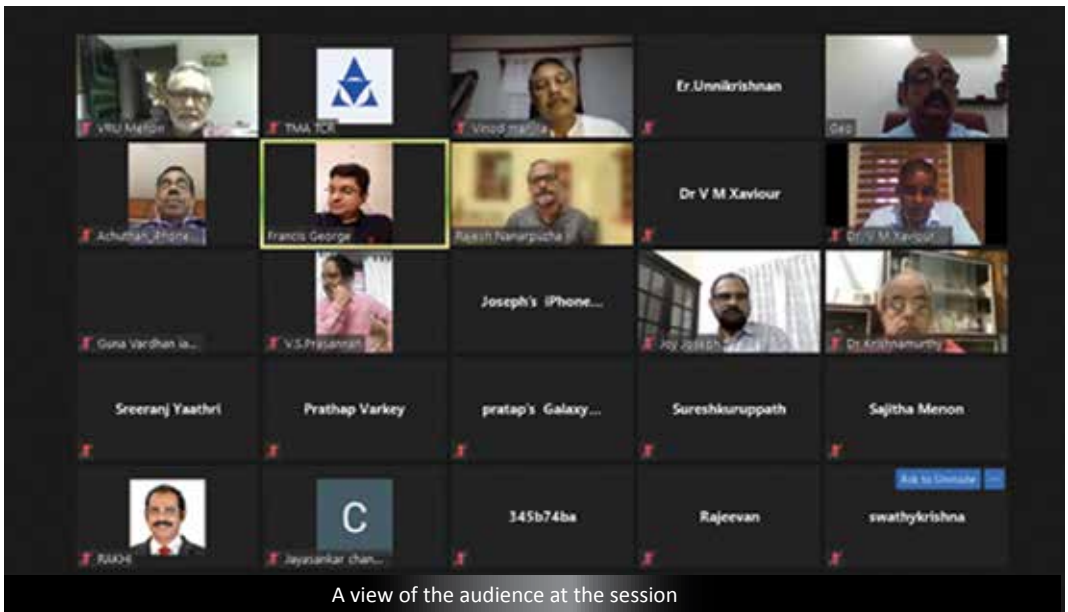
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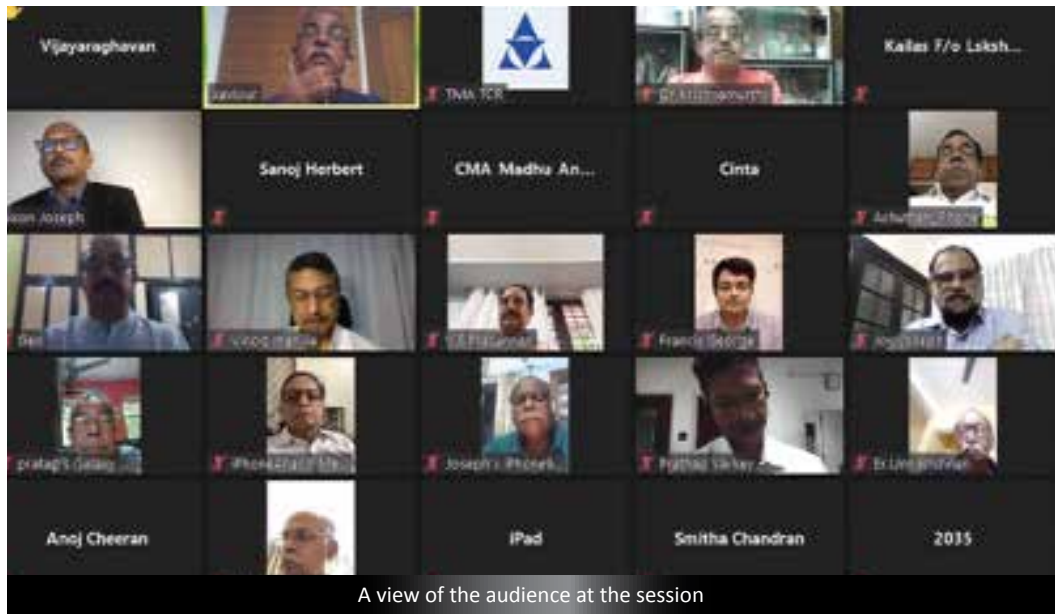
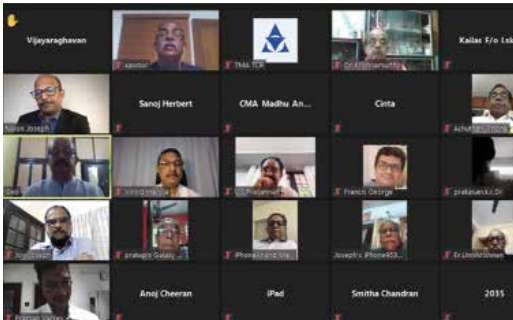


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A view of the audience at the session

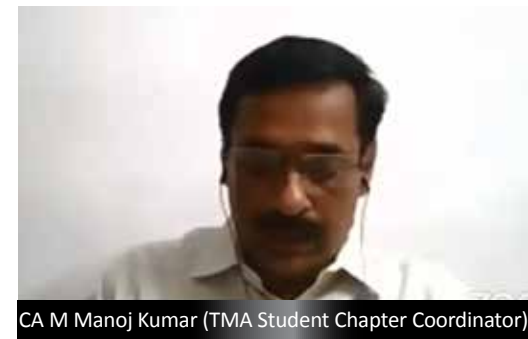
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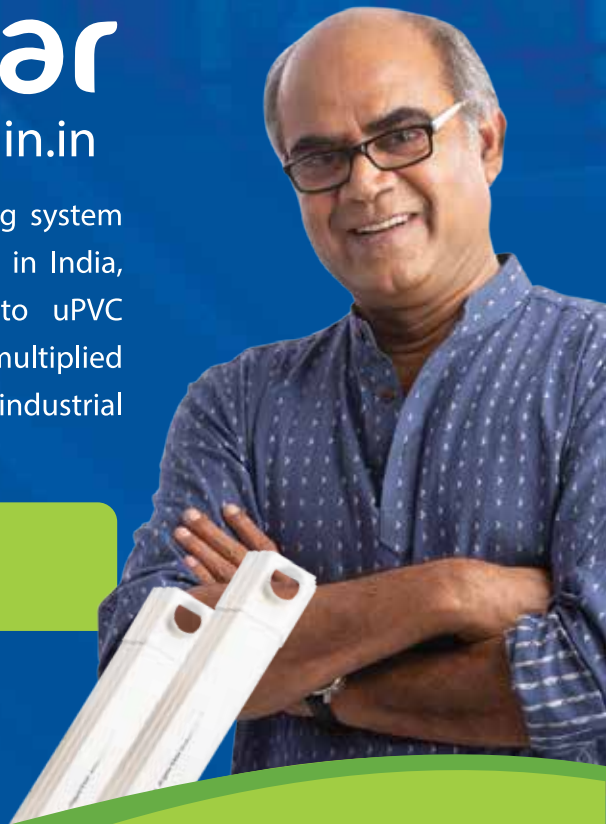
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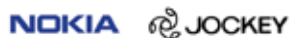
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PANDEMIC – A GOOD OPPORTUNITY FOR ENHANCING DIGITAL BANKING CAPABILITIES.

“The South Indian Bank is fully geared for the Digital Banking revolution,” says Murali Ramakrishnan, Managing Director & CEO, South Indian Bank Ltd.

In these troubled COVID days resulting in severe restrictions on free movement of people,

‘Management Voice’ (M.V.) was in a fix as to how to carry out the interview for its regular column. We thought it fit to go in for a questionnaire-based e-mail interview, and prepare the story on the replies received from the person concerned. Well, difficult times call for difficult decisions and we had to forgo with the face-to-face talk. Next, the choice hovered around the person to be selected. It was felt that the present Managing Director of South Indian Bank (SIB), Shri Murali Ramakrishnan (M.R. for short), would be eminently suitable as he, in the matter of a year or

so, has completely transformed the 93-year-old financial institution. While the Bank has, no doubt, been featured in these columns on a couple of occasions, it was decided to have this eminent banker’s views on the present-day challenges faced by banks in general and SIB in particular and how he successfully transformed the institution.

Accordingly, this Correspondent sent him a detailed questionnaire on the Bank’s working in the recent

past and outlook in the future especially in the context of intense competition from commercial

banks and other non-financial institutions. And, in no time, he came out with his lucid and clear-cut views on the several issues raised and the strategies adopted to overcome them. Also, M.R. spelt out his VISION 2024, outlining Bank’s outlook for the immediate future. Briefly, he has touched upon 2 main aspects: One, the Bank’s readiness to face the digital revolution going on in respect of banking (90% of its transactions are already in digital mode) and two, Bank’s emphasis on gender diversity, thereby promoting women empowerment by giving them job opportunities

(its ratio of women employees in total work force of 43% is above industry standards).

Excerpts from the Interview:

M.V.: As one of the oldest private-sector banks in Kerala, South Indian Bank (SIB) has, over the years, spread its network of around 900 branches and ATMs across the country and has a PAN India presence. Would you agree that the COVID -19



Shri. Murali Ramakrishnan,
MD & CEO, South Indian Bank

pandemic has put some breaks on your branch expansion plans and, if so, have you now overcome them? Do you feel that by end of FY 2022, your branch network would touch the magic figure of 1000? Please elucidate.

M.R.: South Indian Bank has a good presence across India with a good stronghold in the South. I completely agree that the pandemic has restricted movement of people, but in fact, has opened an opportunity for digital banking. Our Bank has been quite strong on the digital front for many years. In fact, we are the pioneers in few of the digital initiatives in the banking space. Our aim is to continue to leverage our digital capabilities and offer convenient service to existing customers as also to attract new clients.

As far as expansion of branch network is concerned, given the current situation of disruption in the economy, we are rationalizing cost and bringing about efficiencies in the existing branch network. We are in the midst of branch rationalization initiative, where low activity branches are being identified, with the option of merging them with nearby branches. The license for the closed branches will be used to expand the network in all key cities across India. We further believe that the existing branch distribution network is quite optimal for the envisaged activity. In the process, there will be a small addition in the geographical mix.

Emphasis on Retail/CASA Deposits:

M.V.: While your deposit growth has been improving, including that of CASA, advances portfolio has not shown the same robustness in growth. When do you feel the pick-up in credit offtake would gather momentum?

M.R.: It was a conscious strategy of the Bank to rejig the existing portfolio with the focus to diversify the risk both in assets and liabilities. We are replacing the bulk deposits with retail deposits and the bulk corporate exposures with diversified retail exposures. We have completely rundown Certificate of Deposits (CDs) in FY 2021 and are in the process of streamlining bulk deposits. Growth in Retail Term Deposits and CASA have compensated for the run down in bulk deposits.

The Bank has been following a branch structure

where asset and liability businesses were managed by branches. This structure is, however, not quite conducive for growth of assets in the present environment as huge and focused efforts are required to win over a good asset owing to intense competition. Therefore, to facilitate the focus and drive, a vertical asset structure has been created for all retail asset businesses where branches would act as an additional channel for sourcing new leads from both existing and potential walk-in customers. Similarly, MSME and Corporate Banking Verticals have been formed with a dedicated sales structure across the country.

Apart from the structure, we also need good processes and systems to cope up with customer expectations. As we speak today, the new vertical structure is in place with dedicated teams. Wherever we felt that internal talents are not available, especially in the retail asset vertical, we have gone ahead and recruited experts laterally to drive those businesses. Further, we have set up a separate Data Science Division, which would help us to do analytics in the area of assets, liability, collection, etc. Also, the Operations Division set up would be taking care of back-end fulfilment of asset and liabilities transactions. Most of the system development, tweaking of the policies and process improvement is also completed. With the necessary resources in place, I am aiming at a credit growth of 10% in FY2022 and a relatively stronger growth of about 18-20% in the coming years. The big head wind in the plan is, however, the impact of COVID on the individual and business community.

Impact of Covid Pandemic:

M.V.: The COVID pandemic has impacted almost every business, with banking being no exception. Could you pinpoint to any one or two segments of business in your Bank which have been impacted the maximum? How is the trend now and what are your plans to bring about their revival?

M.R.: The COVID-19 virus has spread worldwide without acknowledging borders. It has impacted all industries, all sectors and all aspects of lives with devastating economic and financial losses and significant uncertainties. GDP contracted by the stringent nationwide lockdowns during April and May 2020, which stalled economic activity, shut down consumption, investment and led to

loss of jobs and income for many.

The pandemic has severely impacted the retail and SME segments which were badly affected due to the lockdown imposed in March 2020. Agri business is, probably, the only segment which had limited impact of the pandemic. The government had launched various initiatives to support small and marginal businesses through programmes like moratorium benefits on repayments, Emergency Credit Line Guarantee Scheme (ECLGS), etc. On our side, we extended moratorium benefits to all borrowers compared to other banks who had followed opt-in moratorium policy. Also, our Bank had extended the ECLGS facility to all eligible borrowers. Through these initiatives, easing of Covid restrictions and resumption of business activities, Indian economy showed signs of growth in the third quarter of FY2021. Economic activity was almost back to pre-lockdown level by the October-December quarter of 2020. Till around March 2021, we were witnessing improvement in business activities, but the same was halted by the second wave Covid infection across the country.

As compared to the first wave, we are all better prepared to face the menace and the government has also not resorted to a total lockdown. Besides, we have vaccines to fight the pandemic. We are closely assessing the impact of second wave on our borrowers and wherever we feel there is genuine need, full support is extended to them with restructuring of loans.

M.V.: As per your latest December quarter results, Bank's gross and net NPAs have come down. Could you please spell out the specific measures you have taken to bring about this welcome change?

M.R.: The December quarter results did not factor the technical NPAs due to Supreme Court order. Therefore, all the banks including SIB, had disclosed two figures, one of the actual NPA and the other on provisional NPA. The latter were also overdue cases beyond 90 days period but were not classified as such owing to Court directive. However, we had witnessed improvement of recovery of stress loans even in the uncertain environment. With courts opening up, we expect further improvement in resolution and recovery of stress accounts. The proposed setting up of Bad Bank by government is again expected to bring about further recovery from NPAs across all banks.

M.V.: Generally, banks are reporting a rise in the NPAs of their educational sector loans. What has been the trend in your Bank in this respect? What is the percentage of your educational loan advances in the overall credit and kindly explain the steps you propose to take for bringing down the NPAs?

M.R.: Our education loan portfolio is very insignificant, less than 1% of the total loan portfolio. With a view to have a tighter monitoring on all retail loans, including education credit, we have engaged external collection vendors for rigid follow ups from the very early stage of default of such loan accounts. Further, as an additional safeguard, for IBA approved scheme, we take loan guarantee cover from National Credit Guarantee Trustee Company (NCGTC) which covers 75% of the loan amount.

M.V.: As part of your CSR activities, does the Bank plan to conduct investigation or testing and vaccination drives and thereby assist the government's efforts in fighting the pandemic?

M.R.: South Indian Bank has always been in the forefront when it comes to community development. We have a dedicated CSR department, which actively participates in CSR activities which has given CSR assistance for setting up First Time Treatment Centres for COVID-19 patients to many district authorities in Kerala. We are also in discussion with several local authorities for collaboration on Covid vaccination drive. Given the shortage of vaccines, vaccination programmes through private authorities will take some time. But we will definitely continue to supplement government's efforts in fighting the pandemic.

Recent Awards:

M.V.: Recently your Bank won some awards from "Banking Frontiers", India's most popular banking monthly, coming out from Mumbai. Could you explain the awards in detail for the benefit of our readers?

M.R.: We strongly believe that innovation is all about creating new solutions which will help our customers to ride the digital wave successfully. Our innovative ventures such as e-lock, e-limit, etc. have been widely recognized across the country by various bodies. We received this year the award

for 'SIB Fee', a highly flexible fee collection system, from "Banking Frontiers", the prestigious banking journal of Mumbai. This is given to customers such as institutions, businesses, associations, clubs, etc., who can, within minutes, create a portal on SIBs domain, with requisite details to be entered by their payers, who complete payments using bank's Payment Gateway offerings. The product is extensively used by tech savvy institutions and small groups, who may not have alike IT capabilities.

In today's world, where physical activity has been challenged, digital mode of payments/collections is gaining big ground and SIB is fully geared to help our customers in this journey.

Digital Offerings- New Products/Services:

M.V.: What are your new digital products/services introduced by the Bank in the last two years? What new products you propose to bring about in the coming years? What percentage of your banking and other allied transactions have been digitized?

M.R.: We have launched numerous digital products and services for our customers in the last few years. Anticipating the huge digital revolution, the country is now witnessing, SIB introduced a suite of digital offerings. Being the first bank to go live on the biggest digital platform, UPI, we knew that it would grow exponentially in the coming years. We added products such as Fastag, BBPS, etc. to our product stack for helping customers to go digital. We also went live on Aadhaar Enabled Payment System (AEPS). Besides, we have added various features in our cards including contactless payments, a widely used option in the contactless world. On the business side too, we have empowered our customers with UPI, QR, PG and POS. We also became part of the National Automated Clearing House (NACH), which helps customers mandate their recurring payments.

Our Internet and Mobile Banking channels have been enhanced by adding more and more products/services. This has enabled us to offer customers all forms of investments, such as Mutual Funds, Gold Bonds, Demat account, etc., and enable them to avail loans at the click of a button. We also launched SIB Namaste, a virtual booking system which allows customers to book their appointments with a branch, so as to ensure

they are able to conduct safe banking even amidst challenges posed by Covid. Incidentally, our SIB Fee product has become very popular and is extensively used by many institutions, associations, etc., to collect fees, contributions and payments.

We have also introduced Artificial Intelligence (AI) based chatbots for helping our customers and staff for providing personalized customer service. A good number of our back-office processes have also been automated using Robotic Process Automation (RPA). Besides, we are involved in consortiums which provide Blockchain-based initiatives.

Thanks to such a concerted drive, we have achieved 90% of digital adoption in customer transactions. Mobile banking is a significant contributor to the digital pie. Our customers enjoy the comfort of doing almost all their transactions through the digital mode. Quite recently, we have won the 'runners-up' award amongst private sector banks, and Assocham's 'National e-summit awards -Banking & Finance Companies' in the digital deposit category, for the services offered to our customers on digital investments. In the coming years, our focus will primarily be on 1) enhancing self service capabilities on digital channels 2) empowering our branches to nudge customers to go digital with smart assisted devices, and 3) to invest more and more in intelligent AI-backed process automation. On the technology side, we propose to continue modernizing our technology infrastructure using emerging capabilities.

Gender Diversity:

M.V.: What is your bank's total staff strength as of end March 2021? With the women empowerment plans gaining importance in all places, what is the ratio of women employees to that of the work force in the Bank? Have you plans to increase this ratio?

M.R.: SIB has a strong total employee base of more than 8300 as of end March 2021. We believe strongly in gender diversity with women participation of about 43%. Incidentally, our present ratio of women employees is good as compared to industry standards.

M.V.: Of your total staff strength, what is the percentage of staff that get trained in both



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conventional and digital banking modes? Do you send the staff for outside institutions like RBI Training Colleges or prefer in-house facilities with faculty drawn from outside?

M.R.: As per our Bank's training policy, every staff member needs to be trained at least once in 2 years. This means that at least 50% of the employees are to be imparted training every year. We generally ensure that at least 60% of the employees participate in training programmes every year. Before the outbreak of the pandemic, programmes were conducted as conventional classroom trainings. However, as COVID-19 has imposed many restrictions, we have moved totally to online mode of training/learning.

As far as nominating staff members for training programmes is concerned, we have opted for a healthy mix of both in-house training facilities and training programmes conducted by external institutions. We nominate staff members for programmes by institutions such as RBI College of Agricultural Banking (CAB), College of Supervisors (COS), etc. We have also membership with external bodies like NIBM, CII, IIBF, CAFRAL, etc. We also have in-house trainings with faculty empanelled from outside as well as sessions conducted by an in-house talent pool (i.e., our own staff members).

Video Conferencing (VCs):

M.V.: Do you feel that with the Covid menace totally subsiding in say, a year or so, bank AGMs and other meetings would get back to its usual way of public gatherings or continue with the virtual meetings as they have become quite popular? What has been your Bank's experience in this regard, and would you like to revert to the old practice?

M.R.: Our Bank as a whole, including our Board of Directors, has adopted digital means in a seamless manner during this pandemic. We have successfully managed AGMs and EGMs digitally without any glitch and addressed queries of the shareholders who participated in them. Further, all Board Meetings are smoothly conducted through Video Conferencing (VC). We plan to use digital means for conducting meetings and reaching out to the public at large. As for holding physical meetings, we will analyse and decide as per the need of the hour.

M.V.: Recent reports suggest that with Citibank's reported withdrawal of its business in India, several banks including Kerala-based ones, would be interested in acquiring a share of their businesses, especially in the realm of consumer finance. Would SIB be interested and, if so, in which of the segments?

M.R.: I agree that there is an inorganic growth opportunity by acquiring Citi Bank's business especially in the area of consumer finance. However, given the present situation, when banks are working on streamlining many different fronts, we would be keen on building our own products and processes to scale

up capability and skills within the bank. Once this is set up to our satisfaction, we would certainly look for the next phase of growth through inorganic acquisition of portfolio. At this point of time, we are not looking at Citibank's portfolio.

Fin Techs—Collaboration Opportunities:

M.V.: These days, the Fin Tech companies are getting a lot of coverage. Do you perceive a threat to your business from Fin Tech companies, given the rapid growth in their business? How do you propose to counter their threat?

M.R.: Even before the onset of the pandemic, digital disruption had been noticed in various sectors such as travel, hospitality and retail. All these disruptions were initiated by Fin Tech's who created a great digital platform to allow demand and supply to meet, at highly affordable prices. Due to the low entry barriers, enabled by cloud computing, they were able to scale up dramatically by offering great customer experience. Banking has also seen similar trends picking up in Europe, US and the UK. Neo banks, which herald the era of open banking, have seen many ups and downs in the last few years. These Fin Tech banks cater to niche customer segments, and hence can offer highly personalized services to their target segment customers. Even though in India, RBI is yet to license a Neo bank, there are various FinTech's who are offering a front-end layer of value-added services to end consumers and small businesses. Banking is still powered at the back end by traditional banks. However, the high-end customer is generally serviced by these Fin Techs. We perceive that Fin Techs are a great collaboration

opportunity, as they often complement our strengths. The Bank has created a robust API platform using which we offer numerous opportunities for Fin Tech tie-ups. We have a separate Fin Tech team in the bank, under the digital department, which acts as a single window facilitator for all our business verticals. The Fin Tech team curates the best and gives them a platform called “Fintech Showcase”, wherein they get an opportunity to present their services to the top management of the banks, at regular intervals. Wherever we come across Fin Techs which we believe can add value to our business, we would certainly partner with them for mutual beneficial growth opportunities.

M.V: How do you visualize the Bank’s growth/standing in the next few years from now, say by March 2025? This assumes significance in the light of fierce competition from not merely commercial banks but also from growing number of financial institutions and intermediaries like NBFCs, postal department, etc.? In other words, what are your strategies to overcome such challenges?

M.R: The Bank has already rolled out its Vision 2024 strategy which clearly lays down focus areas in terms of 6Cs, i.e., Capital, CASA, Cost to Income, Competency building, Customer focus and Compliance. The Bank has undertaken the transformation journey with an intent to improve business structure, systems and processes. Some of the key initiatives include setting up dedicated vertical asset structure for all retail asset businesses, revamping branch structure to bring in focus on building strong liability franchise, separate Data science division to do analytics in the area of assets, liability, collection etc. and lateral hiring of product experts to drive business. The above initiatives will help us in achieving our Vision 2024 milestones: Advances more than Rs. 1 lakh crore, CASA 35% plus, PCR (excluding write offs) 65+%, ROA 1% plus and RoE 13% plus.

The credit penetration in India is still quite low

when compared to global peers, so there is enough opportunity for all financial institutions and intermediaries. Further, the Bank has been operating for more than 93 years, enjoying loyal customer base with good distribution presence across semi-urban and rural areas, far apart from big cities. We will continue to leverage our strength for deeper penetration in niche markets and try expanding our reach in the West, East and North through digital means.

Advice for Aspirants:

M.V: As a seasoned banker, what is your advice to youngsters keenly aspiring to take up Banking as a career?

M.R: Banking, like any other profession, is witnessing lots of exciting changes. With more and more fields converging with breakthrough in technology and the ever-changing financing needs, this field offers exciting opportunities for individuals, with proficiency in conventional areas like finance, marketing, systems, operations, risk compliance and also for non-finance professionals in areas of latest technologies like AI, ML, Big Data, etc. to work for financial services/banking. With customers’ ever-increasing demand for customization to their requirements and the self-service channel through which, they would like to be serviced, there is humongous scope for application of professionals in marketing, finance, technology, systems, HR, talent management, branding etc.

to come together and offer the product/service of the future customer segments. I would urge budding professionals to get used to ‘Change as a Constant’ concept and embrace all kinds of developments in any or all of the areas to enjoy working in the demanding landscape of future banking. □

V. Raghuraman. E-mail: vraghuraman9189@gmail.com 7th June, 2021.

THE DYNAMICS OF FULL ENGAGEMENT



By Dr. P.S. KRISHNAMURTHY, MD

“Managing energy, not time, is the key to high performance.”

-JIM LOEHR AND TONY SCHWARTZ

The fundamental currency of high performance is ENERGY. To be fully engaged, we must be physically energized, emotionally connected, mentally focused and spiritually aligned, with a purpose beyond our immediate self-interest.

The number of hours in a day is fixed, but the quantity and quality of energy available to us is not. It is our most precious resource. Energy is X-factor that makes it possible to fully ignite talent and skill.

emotional, mental and spiritual. It is the common denominator in all dimensions of our lives.

Physical energy capacity is measured in terms of quantity (low to high) and emotional capacity in quality (negative to positive)

These are our most fundamental sources of Energy.

The Energy that pulses through us is physical,

THE DYNAMICS OF ENERGY

HIGH		FULLY ENGAGED POSITIVE
HIGH NEGATIVE	HIGH POSITIVE	
Angry	Invigorated	
Fearful	Confident	
Anxious	Challenged	FULLY ENGAGED POSITIVE
Defensive	Joyful	
Resentful	Connected	
LOW NEGATIVE	LOW POSITIVE	
Depressed	Relaxed	FULLY ENGAGED POSITIVE
Exhausted	Mellow	
Burnt Out	Peaceful	
Hopeless	Tranquil	
Defeated	Serene	

The primary markers of physical capacity are strength, endurance, flexibility and resilience. These are precisely the same markers of capacity emotionally, mentally and spiritually.

Flexibility at physical level for example, means that the muscle has a broad range of motion. Stretching increases flexibility.

The same is true emotionally. Emotional flexibility reflects capacity to move freely and appropriately along a wide spectrum of emotions rather than responding or reacting rigidly and defensively. Emotional resilience is the ability to bounce back from experience of disappointment, frustration, even loss. Mental endurance is a measure of the ability to sustain focus, while mental flexibility is marked by the capacity to move between the rational and intuitive and to embrace multiple points of view.

Spiritual strength is reflected in the commitment to one's deepest values, while spiritual flexibility, by contrast, reflects the tolerance for values and beliefs that are different from one's own.

In short, to be "fully engaged", requires strength, endurance, flexibility and resilience in all dimensions. Energy capacity diminishes both with over use and under use; we must balance energy expenditure with intermittent energy renewal.

When we live highly linear lives - spending far more energy than we recover - the eventual consequence is that we break down, burn out, atrophy and lose our passion. The integral aspect of sustained performance is the renewal of energy. We give almost no attention to renewing and expanding our energy reserves individually or organizationally.

The richest, happiest and most productive lives are characterized by the ability of fully engage in the challenge at hand, but also to disengage

periodically and seek renewal. We learn to live our lives as a series of sprints-fully engage for periods of time, and then fully disengaging, unwinding seeking renewal before jumping back into the fray. Full engagement requires cultivating a dynamic balance between expenditure of energy (STRESS) and renewal of energy-(recovery) in all dimensions. This is rhythmic wave oscillation and it represents the fundamental pulse of life. This rhythm is called "Basic Rest -Activity Cycle (BRAC)".

At the broadest level, our activity and rest patterns are tied to circadian rhythm- circadianes -around the day. Somewhere between 90 and 120mts the body begins to crave a period of rest and recovery. Stress hormones that circulate chronically in our bodies may be temporarily energizing - EUSTRESS-, but over time they prompt symptoms such as hyperactivity, aggressiveness, impatience, irritability etc. To live like a sprinter is to break life down into a series of manageable intervals consistent with our physiological needs and with the periodic rhythms of nature.

This schedule can maximize productivity on the job, by minimizing distractions and building in plenty of time for energy renewal. While Leonardo Da Vinci was working on "The Last Supper", the artist relied on numerous catnaps during the day; and told his patron, "The greatest geniuses sometimes accomplish more when they work less"

Many of us treat life as a marathon that doesn't end until it finally ends for good. Working at a feverish pace without breaks may be addictive. Stress hormones such as adrenaline, nor-adrenaline and cortisol fuel arousal and create a seductive rush- the so called "Adrenaline high". In effect, we get stuck in overdrive. It is not the intensity of energy expenditure that produces burns out, but rather duration of expenditure without recovery.

Physical energy is the fundamental source of

fuel in life; and emotional energy is inextricably connected. In practical terms the key competencies that fuel positive emotional energy oneself – confidence, self-control, social skills (interpersonal effectiveness) and empathy.

Just as physical energy is the fundamental fuel for emotional competencies, so it is the fuel for mental skills. Mind and body are so well connected, even moderate physical exercise can increase cognitive capacity. Exercise also is believed to stimulate more production of a chemical – Brain Derived Neurotrophic factor (BDNF) which help repair brain cells and prevent further damage. Every time you learn something new, it builds new connection to the brain cells.

Fundamentally Spiritual Energy is a unique force for action in all dimensions of our lives. We define “spiritual” not in the religious sense, but the connection to a deeply held set of values and to a purpose beyond our self-interest. The key muscle that fuels spiritual energy is character – Courage and conviction to live by our values – passion, commitment, integrity and honesty. Subordinating self-interest to something beyond ourselves can be immensely rewarding, by which to experience a deeper sense of meaning and greater self-worth.

Victor Frankl in his classic, “Man’s Search for Meaning” – quotes “He who has a why to live for, can bear with almost any how” – (NEITZSCHE). If growth and development take place from the bottom up – from physical to emotional to mental to spiritual – change is powered from top – down. The most compelling source of purpose is spiritual, energy derived from connecting to deeply held values and purpose beyond one’s self – interest.

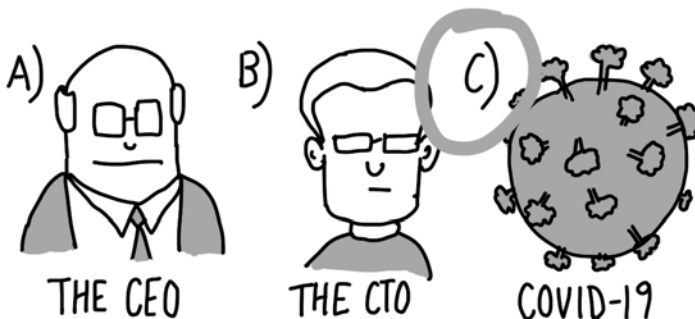
Purpose creates a destination. It drives full engagement by prompting our desire to invest focused energy in a particular activity or goal. It fuels focus, direction, passion and perseverance.

Recommended Reading:

1. “The Power of Full Engagement”
JIM LOEHR and TONY SCHWARTZ
2. “Man’s Search for Meaning”
VICTOR FRANKL
3. “How To Think Like Leonardo da Vinci”
MICHAEL GELB

Dr. P.S. Krishnamurthy is a Consultant Paediatrician with Elite Hospital and an Editorial Board member of TMA’s Management Voice.

WHO LED THE DIGITAL TRANSFORMATION OF YOUR COMPANY ?



REAR-VIEW MIRROR:

A PEEK INTO MY PROFESSIONAL CAREER



By ER. V.R.U. Menon

From time immemorial, living beings with intelligence have been making their own shelter. Over the years, this evolved and transformed based on weather, needs, beliefs and survival issues. Caves, places of worship, palaces, forts, sculptures, paintings etc remain as tell-tales for the future generations. Any project is the coming together of men, materials and money, taken forward with the vision of a leader. As engineers, architects and designers, we give shape to visionary ideas. The rapid technological advances taking place today are reflected in the working of the construction industry as well.

Formerly, the onus of a building project was entrusted to an architect and he was responsible for it, from start to completion. However, now, depending up on the scale of the project, a project management consultant group is entrusted with the job and they in turn coordinate among the people and processes involved. Architects have become one of the components in the system.

Let me give you an example from my experience at ETISALAT, the Emirates Telecommunications, which was my last job in service. I was an engineer at the Head Office and had the opportunity to get involved in the preliminary stages of a project, where we built typical 'ETISALAT buildings' with huge globes on the top to accommodate antennas for transmission. Bechtel was our main consultant and the buildings were at the Abu Dhabi HO and at various Emirates. Architectural designs were selected based on a competition. Here I learnt that briefings of the complete requirements along with the future projections are an important aspect, which involves many meetings with different departments. After the selection of architects, preliminary drawings were sent for finalisation and this involved a lot of coordination with structural engineers, services such as air-conditioning,

plumbing, electrical, fire, lifts, escalators, cladding, glazing, environmentalists etc. Normally, in large projects, if anything untoward happens, there is a tendency to blame others. To eliminate this, all the agencies are brought to a single table to discuss the challenges so that necessary alterations can be made. This is something that I strongly recommend. Many a time, the materials or skills envisaged may not be available at the cost budgeted. This makes it imperative that coordination meetings to finalise on details are held from the early stages. The importance of communication and documentation in project management is something I would definitely stress on.

Anyone can design a structure but how you detail it out, is an important differentiating factor. As we all know, a building consists of many parts. My Guru Charles Correa always said that the whole and its parts must go hand in hand for a design to achieve perfection. Never ignore the minor details. Unfortunately, this is something that is not seen at all in many Government jobs.

When we talk about project implementation of buildings, first and foremost is the land. It must be available without any encumbrances.

It is not advisable to begin a job without ensuring the availability of the basic parameters - men, materials, money and machinery. While evaluating the project bidders, all of these parameters are to be ascertained along with a thorough scrutiny of their relevant experience, before awarding the final contract. I have had the painful experience of an incomplete big hospital project due to poor financial planning. Banks could not support beyond a limit and ultimately it had to be abandoned resulting in a crisis and total loss. A ghostly and incomplete skeleton of a structure still remains at

the outskirts of our city, a mute testimony to poor project management.

I find a revolution in the construction industry with the advent of sophisticated and large machinery. Tower cranes, large batching plants, compaction equipment, shuttering material, scaffolding, different types of handling equipment and minor machineries that include a large range of drills, chasers, planers etc. have made work easier when it comes to jobs in carpentry, electrical, plumbing, interior, flooring, wall cladding and others. In spite of this, I observe a lack or shortage of skilled and trained workers since proper training is not imparted at the technical institutes which churn out technicians. Proper utilization of construction gadgets can save a lot of time and money. For example, the road cuttings that we often see for cable or water connection can be done by a horizontal drilling machine. This costs around 20-25 lakhs and we had advised our corporation to buy it, even sending them a quotation during the time they were formed. Many other suggestions were also given to the Mayor, but they proved futile. An attitudinal shift to be receptive to ideas and innovation is required at the top level.

Another aspect of project implementation is the timely inspection by authorities. In the US, I have seen local authorities from the technical department inspecting a building at the foundation level to ensure soil quality and then again at plinth level to check whether the open spaces are strictly maintained as per bylaws. Out here, we often hear that buildings have violated stipulated open spaces or distances from water bodies after completion of the project! Our Maradu demolition of flats is a clear example of violation and disregard for the environment.

A successful project is dependent on fool proof infrastructure that takes into account future projection as well. For example, did anyone anticipate current vehicular traffic when the roads, highways, bridges and tunnels were initially planned? Now we all understand that most of our Kerala roads cannot cater to the present traffic volumes and situations arising as a result of that. Visionaries like Er Sreedharan plan for transportation alternatives in the form of metro rails, monorails, elevated highways, underground tunnels etc. to mitigate the effects of vehicular traffic explosion. This holds true for even relatively

newly developed cities like Dubai, Abu Dhabi and other Emirates. The unparalleled growth in vehicular traffic and the challenges it has brought forth was not expected. Now, consider our small state of Kerala where practically everyone owns a vehicle. Can our roads absorb them? Keep in mind that similar challenges arise when it comes to water, electricity, communications and disposal systems.

Waste disposal is a huge problem that we face these days. When I worked abroad, I observed that waste disposal systems were meticulously planned. Waste was segregated during collection into biodegradable, plastic, glass, paper etc and they were treated separately. Building permissions are not granted unless these systems were in place at the site. I used to admire these systems and wonder when such processes would be implemented in our country.

Another useful system that we would benefit by adopting is the submission of as-built drawings, in its entirety. This is due to the fact that there will always be slight changes in the building from what was originally planned. The details which these drawings provide are extremely beneficial when it comes to maintenance, it saves time and effort. We then have a proper reference for where to dig or chase for cables, water lines or sewage.

In today's urban landscape, multi storey buildings are predominant. Vertical transportation becomes a very crucial service component. I was the site engineer for the 22 storeyed JASLOK Hospital building in Mumbai almost 5 decades back. Even in those days I remember that we had elevators for multiple purposes including passenger, bed, sterile, goods and food elevators. Much innovation and technological advancements have happened since then in both the design and installation of various types of elevators and it is almost difficult to decide on what type should be used. Escalators are also a common sight today. One deciding factor that must be given prime importance during the selection process is after-sales service. Delay in attending to complaints cannot be afforded when it comes to vertical transportation.

A very important aspect of building construction that people tend to neglect is fire safety. This includes the fire alarm system, fire escape and firefighting. Considering that these systems need

to be put into action only in the event of a fire, people take it lightly. I have seen many buildings in Thrissur, where the fire escape doors are locked! Periodic checks and maintenance of the various systems along with fire drills are absolutely essential. The alarm system must be connected to the fire station. In case water sources like swimming pools or wells are available nearby, proper planning must be done for utilizing this water in the event of a fire.

One of the areas in construction that has witnessed rapid developmental strides is building structures, most of them made of RCC (Reinforced Cement Concrete). Many changes have taken place in the design of mix and placement at the site. During my initial days, we had volumetric mixing of ingredients and the maximum strength envisaged and attained was around 4000 psi. Now the scene is totally different with weigh-batching, graded aggregates and additives. We have developed up to 14,000 psi concrete with strict quality control and with the use of radically developed new vibrators possibly ultrasonic. Recently, when I visited Dubai, I was amazed to witness a major concreting job with continuous flow of concrete mixes and waterproof shuttering materials. With concrete pumps and compacting and levelling

machinery, they achieved excellent quality in minimal time.

I believe that much of the developments and advancements I have seen are the result of proper project management and planning. I would encourage the school of management to update their curriculum based on current information and developments taking place in the construction industry. We have to think about skill development institutes for imparting training to use the machineries and modern materials. L&T has set up a Skill Trainers Academy at Madh which is an initiative for quality management programme. Many centuries ago, India had the knowledge of quality construction and also the right artisans or skilled workmen. I am amazed to see the quality and detailing in our palaces, temples, forts etc. Of course, there was proper project management during those times as well.

Whatever I have narrated above are only some of my reminiscences based on my experiences and observations over the course of a five-decade career in the building and construction industry. □

Er. V.R.U. Menon is a life-member of TMA.



CUSTOMER SERVICE

By Bhuvana Chandran C.

A former CEO of a Public Sector Bank stated, “most customers forgive and forget a human error, product default or process delay, if compassionately responded in time. If not, it escalates to a behavioural issue which causes mostly the only reason for all reported grievances. That is why when customer behaviour becomes the core culture, banks do not require a heavy-staffed Customer care department that saves millions”.

Once a complaint is reported, the first thing is to respond at the earliest possible time by phone or in person. It is quite natural that the complainant could be little emotional in explaining his problem because he bought the product or availed the service with certain expectation of quality, performance or service which unfortunately he failed to receive. So, it is the responsibility of the employee to attend to the complaint, and listen to the customer with total patience and compassion. This attitude tends to reduce the gravity of his grievance by half or more. Next, it is important to investigate what had gone wrong. The product as delivered, installation, performance or what? What is most important is to attend to the customer without getting into argument, which can only add fuel to the fire and drag us down to an unfavourable position. If we know the problem, it makes a solution easier, otherwise anyone can escalate it.

When a patient listening and compassionate behaviour can bring down the intensity of any problem by half, then what is left is remaining half of the problem. Mostly if the customer is not at fault and if there is any problem

in delivery, installation or performance, it can be sorted out with re-installation and demonstration by an experienced service technician to his satisfaction.

On the other side, a reported grievance about any bad service or behaviour is usually responded to by a Customer care executive, after taking a feedback report from the employee at fault, who naturally will submit a report favouring himself and against the customer. This is very dangerous way of managing a customer's grievance. The customer care department should investigate the problem from both sides and document the evidence before a conclusion. Otherwise, employees will continue with dissatisfactory behaviour and service hoping to cover up facts during the enquiry.

To avoid Reported grievances:

Now more than half of the desired core skills considered so important for many of the jobs are not that crucial for the same jobs in the wake of 2020. No doubt the present entrance and aptitude tests are required, but it makes just 50% or even less as the merit for recruitment. What is equally or more important is to assess the soft skills of the employee, means emotional intelligence, attitude, behaviour, resilience, collaboration and mentoring skills. An organization can train on work-related skills, but training values and character are next to impossible. The main reasons that lead to customer grievances are not lack of an induction program or skills training. It is these soft skills to be seriously considered during the recruitment. It can

result to reduce the reported customer grievances and improve the workplace efficiency, saving too much money with a lean customer care department.

Today customers have more choices but not the same for organizations, competition is so intense that a lost opportunity for one becomes a gained opportunity for other. A company which lost a customer cannot wait for same mistake by a competitor to earn it back. Such opportunities do not come so easily, and lost opportunities are lost for ever. Today Automobile sector is known for frequent termination of dealership and service agency which causes a hell of a problem to a new car owner despite his prepaid warranty and maintenance for four or five years. Today most of the escalated grievances reported to regulatory or legal courts are settled in favour of the customer therefore organizations shall care about solving the issue at grass-root level where nothing works so well as a costless and a better substitute to a compassionate behaviour.

Unlike two decades ago, today, as a result of globalisation, customer service has become totally independent of sales department, therefore after-sales service department has become a stand-alone section without any support from sales. Customers generally feel very good about the behaviour and even false promises while buying a product or property, where the service department fails to stand by those promises of sales department. Besides the service department charges handsomely for service, parts and even site visits. As incentives are the rewards to sales staff, service staff get a little demoralised which reflect directly towards the customer. Next reporting a grievance to a toll-free telephone number and the delay it takes to register the same, is very irritating and that itself leads to an aggrieved customer.

The automobile manufacturers are good examples who first establish centres and train the technicians even before the first vehicle is delivered. It is also common with every manufacturer of electronics and computers, home appliances and electrical goods that they see the importance of service centres before, or together with, sales centres. Just imagine a Mercedes or Bosch sales centre without an authorized service support centre!

Good organizations take every customer grievance as a rare opportunity to know and service a customer. If a complaint is attended to satisfy a customer, mostly it creates a lifetime and referral customer. If otherwise, he can be as dangerous as a hostile referral customer. Every grievance reported is an opportunity for good organization to gain or for a bad organization to lose. Despite a very high-quality product, higher the number of unsettled grievances and weak service, an organization can go extinct in a short time, where resuming or restarting again becomes next to impossible.

While customer service is sacred in the US, Europe and in the developed countries, it is yet to mature to its deserving importance in India. Most of the complaints reported are not well attended and solved to the customer's satisfaction which further escalates to mostly a behavioural issue which can destroy even the good reputation of a quality product and organization. □

Shri Bhuvana Chandran C. is a life-member of TMA.

BUSINESS CLASS:

MANAGEMENT AND BUSINESS QUIZ

By: teambizquiz@tma

1. Which hotel brand has been voted as the Strongest Hotel Brand in the World by Brand Finance in their latest report?
2. Which state has announced an Economic advisory council with high profile names like Raghuram Rajan, Arvind Subramanian, Esther Duflo, John Dreze and S Narayan?
3. Which NBFC has been given permission by RBI to become a Small Finance Bank so that it can merge with the beleaguered PMC Bank?
4. Which PSU Bank will be the lead sponsor with 12% stake in the bad loans aggregator National Asset Reconstruction Company?
5. Who or which company will be acquiring the housing finance company DHFL via NCLT?
6. For how many years has SEBI has imposed a ban on Franklin Templeton MF from launching any debt fund scheme?
7. After the release of the GDP numbers for Q4 of 2020-21, what is the final GDP growth rate for India for the full year?
8. SEBI has proposed a Gold Exchange for trading in gold electronically. The stock in trade in this exchange will be EGR. Expand EGR.
9. How much amount did RBI transfer to Govt of India as a surplus for the 9 months July20 to March21?
10. In the year 2020-21, which fruit was India's No 1 exported fruit?

ANSWERS: Business & Management Quiz

1. Taj
2. Tamil Nadu
3. Centrum with BharatPe
4. Canara Bank
5. Piramal Capital
6. 2 years
7. -7.3 %
8. Electronic Gold Receipt
9. Rs 99,122 crore
10. Grapes

Thrissur Management Association

(Affiliated to All India Management Association)

Thrissur Management Association, affiliated to the All India Management Association, New Delhi, is the only professional body in Thrissur, Kerala, established in the year 1990 with an objective of promoting professionalism in management.

At frequent intervals TMA regularly organizes workshops, conferences, lecture programmes, management development programmes, industrial visits, Management Conventions etc... for the benefit of its members and management students in Thrissur district.

Benefits of TMA Membership

- Opportunity to network among important business people, industrialists, professionals, bankers, educationists etc.
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- Helps in learning and implementing new ideas in own organisations.
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