

We are investing big in data engineering: Pankaj Gadgil, Group Head – Digital, Payment & Analytics, Aditya Birla Capital

 cio.economictimes.indiatimes.com/news/strategy-and-management/we-are-investing-big-in-data-engineering-pankaj-gadgil-md-ceo-abhfl/108422013



- Sneha Jha ,
- ETCIO

Updated On Mar 12, 2024 at 12:27 PM IST



Pankaj Gadgil, MD & CEO, Aditya Birla Housing Finance Limited

The future is here. But guess what? The past is still here too.

So how can an organization deal with a lumbering legacy as it tries to limber up?

That's the gnawing question Pankaj Gadgil, MD & CEO, of Aditya Birla Housing Finance Limited and Group Head – Digital, Payment & Analytics, Aditya Birla Capital tried to answer when he took the reins in August 2022.

Legacy, Gadgil asserts, is the underlying foundation of every enterprise. “Swinging an axe at the foundation built through decades of consistent effort, market knowledge, and business prowess is akin to inflicting a wound on the organization,” he warns.

Advt

At Aditya Birla Capital, he resolved to capitalize on the best of both worlds.

“It’s important to make peace with the past to power your present and empower your future,” he asserts.

Gadgil saw immense possibilities in the business prowess of the financial conglomerate operating in non-banking finance, housing finance, life insurance, standalone health insurance, asset management, stock and securities broking, wealth services, and asset reconstruction.

With a dense distribution network, vast physical presence, and the collective might of the Aditya Birla Group ecosystem, Gadgil was certain that he could bust the paradigm that legacy companies cannot be fleet-footed.

Digital transformation is the order of the day. And it’s worth cannot be overstated.

So Gadgil decided to lay the groundwork for the years to come. First off, he incorporated a wholly owned subsidiary, Aditya Birla Capital Digital (ABCDL), to inject a dose of digital capabilities into the organization. And for very good reason.

With a clutch of digital initiatives, Aditya Birla Capital has amped up its data analytics capabilities, customer centricity, customer segmentation, and personalization ability and gained agility to tap into the strengths of a fluid, and responsive ecosystem. These digital initiatives have put the company in a position that holds much promise.

Advt

In an interview with *ETCIO*, Pankaj Gadgil, MD & CEO, of Aditya Birla Housing Finance Limited and Group Head – Digital, Payment & Analytics, Aditya Birla Capital discusses the key digital initiatives undertaken at an organizational level and the cross-pollination of innovative ideas at the Aditya Birla Group level.

As a financial conglomerate, how has Aditya Birla Capital (ABCL) adopted the approach of ‘One ABC One P& L’ approach, to focus on a business strategy that revolves around the three levers of One Customer, One Experience, and One Team? How are you leveraging the power of data, digital, and technology to fructify this vision and build accelerated, risk-calibrated growth momentum?

Advt

I joined ABCL in August 2022. Some of the areas that I felt we were slightly under-invested in were digital, analytics, and technology. But I was optimistic and didn't see it as a challenge. Rather, this was a growth and transformation opportunity for us.

We were fortunate to have a very dense distribution of mature organizations. We have about 400 branches at the ABCL platform level, which cater to about 85% of the PIN codes in India. We have a network of 762 co-located branches, across 218 pan-India locations. And we have close to 3.5 crore active customers with ABCL across all these companies.

Advt

We wanted to broaden our digital assets and capabilities to drive our vision. So, we incorporated a wholly owned subsidiary, Aditya Birla Capital Digital (ABCDL), dedicated to building an omni-channel D2C platform for delivering solutions across loans, investments, insurance, payments, and cards to its customers under one roof. The D2C platform is integrated with various touchpoints such as mobile apps, websites, branches, and Virtual Engagement Channels (VRM) to serve existing customers and acquire new customers.

We launched 'Udyog Plus', a comprehensive digital platform to provide a completely paperless digital journey for business loans and loan disbursement of up to Rs 10 Lakh to the MSME ecosystem. The platform went live in March 2023 and garnered more than 2,500 registrations within the first month of its launch. Today, we have more than 4 lakh customers registered for that platform. Udyog Plus offers a wide range of solutions, including financing, protection, investments, advisory, and other value-added services to help MSMEs manage.

We are collaborating with the NPCI to develop and promote a complete stack of digital payment methods through subsidiaries to its customers. The payment handle would enable us to acquire new customers and increase brand recall. It would also be made available to the MSME ecosystem.

As we aim to become a full-stack financial services provider, we are keen to launch our D2C app, ABCD, offering an all-encompassing platform for loan products, credit cards, investments, insurance, and financial management tools. The app is the result of extensive customer insights and will feature credit score tracking, financial portfolio management, and spend analysis tools, among others.

We also introduced Payment Lounge, an omnichannel, multi-mode collections platform to enable merchants to provide a unified, secure, and faster transaction experience to their customers for making digital payments. The technology behind the payment infrastructure.

At ABCL, you have over 2 lakh channel partners. How do you leverage the power of digital to help your channel partners grow business volumes, enhance customer servicing, and track the status of applications?

We will be rolling out a B2D digital integrated platform for our channel partners which will provide them opportunities to grow their business volumes and enable them to fulfill the life cycle needs of our customers. It will help our channel partners to enhance their customer service and track the status of their applications, business volumes, and payouts. It will help us to increase our product penetration among existing customers and provide us with opportunities to expand our customer base.

A B2D app for distributors is also in the pipeline for 2025, as well as a pre-paid wallet. These additions will bolster our position as a comprehensive financial services provider. This app will be integrated with a payment platform.

Analytics coupled with data engineering is the lifeblood of financial services. How are you amping up your capabilities in these areas?

Data is a big focus area for us. So, alongside analytics, there are investments that we are also making in data engineering to ensure that the data quality which we call the Data Quality Index (DQI) is measured for our businesses. So, we identify use cases that we want to pick up, then we identify the data that is required to be present. And then we make sure that that data from the core systems close into the Datawarehouse both real-time or in batches and then create the model. We have 106 analytical models as of now we aim to have 400+ analytical models by 2025.

We are focused on Customer 360 by creating customer personas using 1000+ diverse customer attributes. As far as personalization is concerned, we build a personalization engine for targeted communications for 100+ microsegments. For the Next Best Offer, we are utilizing real-time AI-led tools to maximize Customer Lifetime Value through 50+ AI models. The future of lending business and finance lies in the convergence of data, digital, platforms, and ecosystems. At ABCL, we want to be a one-stop shop for all your financial needs throughout life's various stages.

Gartner predicts that by 2026, nearly 25% of people will spend an hour or more in the metaverse each day. McKinsey & Company states that it has the potential to generate up to \$5 trillion in value by 2030. How are you leveraging emerging technologies like Metaverse to engage with the younger generation of tech-savvy customers?

In May last year, we opened a Virtual Lounge in the Metaverse. One Verse is a virtual branch to deliver an immersive and interactive experience of the vast offerings of our solutions to our customers.

Through this new digital channel, customers can access financial products, schemes, and the various digital self-service channels such as WhatsApp, Bot, and Web portal, as well as receive personalized financial advice from customer care representatives, in a secure and interactive space.

One Verse offers a virtual replica of the physical branches so that customers can create their digital twin by taking a selfie and entering the Virtual Lounge to interact with an agent and navigate through the various product and service experiences. We partnered with Hexaware Technologies to build this virtual experience for customers in the Metaverse.

You also extended the use of Metaverse in your insurance business. Aditya Birla Sun Life Insurance became the first private life insurance company in India to join Metaverse. How are you leveraging it to provide an immersive and interactive policy buying experience?

That's right. Our life insurance subsidiary, Aditya Birla Sun Life Insurance launched a virtual 3D platform, InsureVerse, to make customer servicing omnipresent. The ability to meet with the customer servicing representatives in Metaverse will enable ABSLI's customers to cut through the inconvenience of visiting a physical branch.

The unique physical branch experience in InsureVerse fosters financial education, particularly among young customers, facilitating early exposure to crucial financial concepts.

In addition to the virtual lounge, customers can access services through various digital self-service channels like WhatsApp Bot and the Web portal, ensuring a seamless experience.

Customers can explore financial products and schemes at their convenience, receiving personalized advice from representatives in a secure and interactive environment.

The startup ecosystem is reshaping the BFSI industry, fostering collaboration, and unlocking new realms of innovation. How are you engaging and collaborating with startups for more creative and disruptive fintech solutions to push boundaries and transform the way customers engage with money?

We have launched INFINITE, our innovative digital start-up engagement platform. We aim to partner with start-ups and co-create solutions, for enhancing customer journeys and increasing the operational efficiencies across our businesses.

Our goal is to accelerate an innovation-led culture, and continuously scout for emerging technologies. Build partnerships and investments in digital capabilities and gain a competitive edge through our startup engagement platform.

It's a simple matchmaking platform that we have made to democratize the entire process of innovation. We have ensured that all colleagues above a particular level have access to put up the problem statements that they are facing. And then on the other side, we have the Fintechs who look at these problems and bid for those problems 'I have a solution. I can bid for it.

When we opened it up in the first round, 22 important problem statements came through and we had 130+ Fintechs applying to solve those problems. So, we put a central team that looked at this entire governance, prioritized the right Fintechs, and a budget was given to them for making sure that the POCs got off the ground and then they went into production.

We have a simple philosophy of Incubate, Innovate, Invest. But the idea is to not go for several projects. Instead, we will be looking at which are the ones that are going to be important from our perspective of scale. I'll give you an example of how crowdsourcing helps. So, the example is, in our ABCD application itself the most boring process is financial planning. None of us like to do it. There is a lot of inertia. So, an interesting way of solving this is doing gamification. If you make it a Game of Life kind of concept, then customers will get excited. So, we have a Fintech who is building Game of Life for us to make financial planning interesting for customers. The idea is to focus on PoCs that are effective and impactful.

Since May 2023, we have sourced 115 business problems, witnessed participation from 218 fintechs, and run 14 successful POCs as of January 2024.

Can you talk about the cross-pollination of ideas and technology innovation across the Aditya Birla group ecosystem?

We are looking at cross-pollination of ideas for the Aditya Birla Group ecosystem through a unified approach across loans, investments, and insurance offerings of Aditya Birla Capital. We are doing multiple outreach programs within various ABG companies to showcase the value proposition of our financial services solutions.

Udyog Plus has partnered with Ultra Tech Cement Ltd (UTCL) to offer digital supply chain finance for UTCL dealers to avail unsecured short-term credit for purchasing cement and pay via credit digitally. By seamlessly integrating channel financing facility in UTCL & order management application for customers, it has enhanced the overall supply chain efficiency. The collaborative efforts between ABC and UltraTech Cement Limited have yielded mutual benefits.

To further drive synergy between Udyog Plus and our Health Insurance business we are offering an EMI protection plan to customers to secure loan repayment and Personal Accident Protection for any digital business loan disbursed through the Udyog Plus platform.

Our housing finance business is offering home loans with specially crafted and pre-approved offers for ABG Employees based on their eligibility along with a simplified onboarding Journey. We are also leveraging the ABG ecosystem to offer short-term/long-term credit on both secured and unsecured programs for their distribution network.

Our Payment Lounge is an omni-channel, multi-mode collections platform with one of the highest transaction success rates of over 96%. It is pre-integrated with multiple payment aggregators. Payment Lounge solves the major problem of integration and reconciliation while collecting the amount through different modes and different partners with One Recon, One Integration, and One Interface for all modes of Payments. We have extended the Aditya Birla payment lounge to the ABC ecosystem and are working on extending it to the ABG ecosystem by providing smart routing and integrated solutions for all collection points.

The Aditya Birla Multiply App of our wellness business is being extended as a one-stop solution to support Aditya Birla Group employees in their health and wellness journey. The AB Multiply app enables anytime anywhere access to physical and emotional well-being tools and tracking of key health parameters. Based on the employee's health assessment reports, they will be classified for hyper personalized engagement and meaningful management of their health through the Health Coaching program. The app also enables a strong support system for employees through doctor and other specialists' support via chat or calls, pre-recorded workout sessions, and gyms for fitness.

Our mutual fund business has developed a salary SIP product that allows employees to set up auto deductions for a portion of their salary and invest the same in the mutual fund SIP of their choice. We have built a simplified and frictionless DIY digital journey for employees to create a mutual fund folio and set up Salary SIP with a few clicks. The salary SIP has been launched in ABC businesses and is being rolled out to the ABG ecosystem.

We are also focussing on building Common Internal platforms on emerging tech for uniform customer experience and leveraging synergies across ABC. This includes AI/ML-based Voice bots to answer Inbound contact center calls to reduce cost and build scalability.

The Voice bots currently handle over 40% of the call volume across ABC. We have also built common ML-based Speech and sentiment analysis of these calls to monitor call quality for the agents and improve Customer NPS.

Published On Mar 12, 2024 at 10:34 AM IST