

Best Practices in Banking, Finance and Insurance

Edited excerpts from talks delivered by guest speakers at the Seminar on Best Practices in Banking, Finance and Insurance organised by the Society for Professional Ethics & Management and CMS Business School, Jain University, recently at Bangalore. (Report on page 4) – editor.

Challenges associated with Raising Funds and Managing the Start-ups –

Entrepreneurship is the dream of many, leaving Management Schools. The Market reality tells them that something more than graduation is involved in entrepreneurship. This elusive latter is often about recognizing Opportunity, identifying the BIG NEW IDEA and the CONVICTION to make it work.

Attributes of a good Entrepreneur: VISION, SELF-CONFIDENCE AND RELATIONSHIPS constitute three essential attributes. Vision imparts the strength to stay on the course. Confidence yields the courage to make decisions day in and day out. Customers, employees, vendors and competitors comprise the milieu of relationships to be encountered. In this regard it is moot to point out that the prospective entrepreneur must necessarily know his LIMITATIONS. Also, the ABILITY TO LOCATE INFORMATION is also an important attribute.

N.V.Malsekar, Mg. Director, Satya e tech India Pvt. Ltd.

Project Financing & Working Capital Management

Project Financing is essentially long term finance. Depending on the Project, revenue is generated from specific services. In this the sponsor arranges the funds. International Banks are chary of funding in developing countries. Banks are particular about their bottom line.

Project Financing is about having a Project, having a business module, accessing one or more Banks, get a funding time, ask for mid-term corrections in the event of difficulties in the course of progress.

Some Models are attractive; some not so much. Eg. The Telecom is a very risky model. There is a long gestation period. One has to keep on extending Cell Towers. Usage has gone up, talk time has gone up.

S. Subramaniam, Titan Industries

‘Startup SMEs and Bank Financing

The essence of the banking and finance industry is that of putting together two groups of people – those who have money and those who want money!

The biggest players are the Banks. Some Banks have been around for a century or two. Then we have the investment banks. They offer institutional services than individualized services.

Next, we have fund managers who offer bonds, debentures and shares being their way of collecting money. We also have Insurance Companies. If their actuarial projections are right, they make money. There are wealth management and financial planning businesses. Also brokerages and finally Micro finance

Financing are of two kinds. Debt financing and Equity financing. In the first scheme the pay-back is time bound; in the latter it is a profit sharing concept. In finance companies what is merchandized is a virtual product. Now, services essentially mean taking care of one’s customer.

Entrepreneurship is a fascinating journey for the professional minded. India needs this class of people to keep its growth engine ignited all the time.

Shyamsunder,
Mg. Director, Peak Alpha Investment Services

Career Opportunities in LIC

LIC today, is synonymous with Life Insurance in the country. There are branches in every nook and corner of the country and there are 55 products (policies) on sale and 125 if one were to include all the products being serviced.

Now for the career opportunities in the Organization:

A Development Officer spots and trains Agents. He provides career opportunities for others. The next appointment is for Assistant Administrative Officers. AAO to AO to Divisional Manager to Regional Manager is the hierarchical sequence. An inspirational person can rise to the level of Director, and Executive Director. There is no direct recruitment to these posts.

T.C.Susheel Kumar,
Executive Director, LIC

Micro Financing

Retail Banking was the flavor of the nineties. The new wave of private and foreign banks created new opportunities in retail banking. The challenge is to maintain a large field force as the business is a people intensive one.

There are different Modules in Micro-financing. Issues of family planning/children education/health care/hygiene are typically addressed by Self Help groups created by NGOs. The Portfolio is worth Rs.25,000 Crores. It is mostly rural although at some stage urban population is expected to touch forty per cent. Profitability in Micro-finance is low – of the order of ten per cent.

Working for Micro-finance one can get hands-on experience on the challenges facing India which are not to be tackled by the political class alone.

V.S.Radhakrishnan, MD & CEO,
Janalakshmi Financial Services Pvt.Ltd.

Invitation to Authors for Research Papers:

With the intention of providing a forum for research scholars and academicians to disseminate knowledge across all aspects of Ethics in profession, management and public governance, we invited contributions of Research Papers. We have received a number of contributions. Our Referees observed that the contributors have not followed the methodology for standard Research Papers. Standards of approach, content and expositions being universal we do not specify any guidelines.

Some specific guidelines (as per references) needed for processing the manuscripts outside the intellectual part, are appended below:

1. The paper should bring out objectives of the Research and Development, methodology of Research carried out (Is it based on survey, Is it based on Case Study, Is it based on Experiment). The paper should give details of Survey, Case Study, and Experiment as applicable, followed by detailed discussions of results and conclusions.
 - Objective of Research
 - Methodology of Research (Survey, Case Study, Experiment)
 - Result and Discussions
 - Conclusion
2. Length of the manuscript-between 2,500 to 3,000 words (including tables, figures, references)
3. An abstract of around 200 words and author's academic profile with e-mail address in about 60 words, should accompany the paper.
4. Tables and figures should be appropriately created and given at the end of the paper. Where ever such tables are relevant, it should be marked ("see table No...") at that place.
5. Two hard copies of the manuscript should be submitted, with a soft copy sent either as an e-mail attachment or on a floppy formatted in MS Word, Times New Roman font, size 12pt., 30mm margins on sides and 18pt. space between the lines should be given.
6. References should be given only at the end of the manuscript. References must be complete in all respect and alphabetically arranged.
7. Authors should give undertaking that the Paper has neither been published nor has been submitted for publication elsewhere. It is the author's responsibility to seek permission to reprint quotations or use tables, figures and graphs earlier published with copyright restrictions.
8. Manuscripts not considered for publication will not be sent back.
9. All contributors to this Journal will receive a complimentary copy of the issue along with an exclusive reprint of their paper.
10. Manuscripts and all editorial correspondence should be made to the Managing Editor, Asian Journal of Professional Ethics & Management, Aeronautical Society Bldg. (First Floor), Suranjandas Road, Off.: Old Madras Road, Bangalore 560 075. Our telephone number (09243114261) may be written on the top of the envelop containing the hard copy. Soft copy to be sent to our e-mail address: ethics.asia@gmail.com

- Editor