Developing Frontline Leadership Excellence

Chola MS & Management Development Centre @ Murugappa Group, 2018-2019

Murugappa Group

Paper on Cluster Leadership Program

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CLUSTER LEADERSHIP PROGRAM 2018-2019

Learning journey of Frontline Hi-Potential Leaders @ Chola MS

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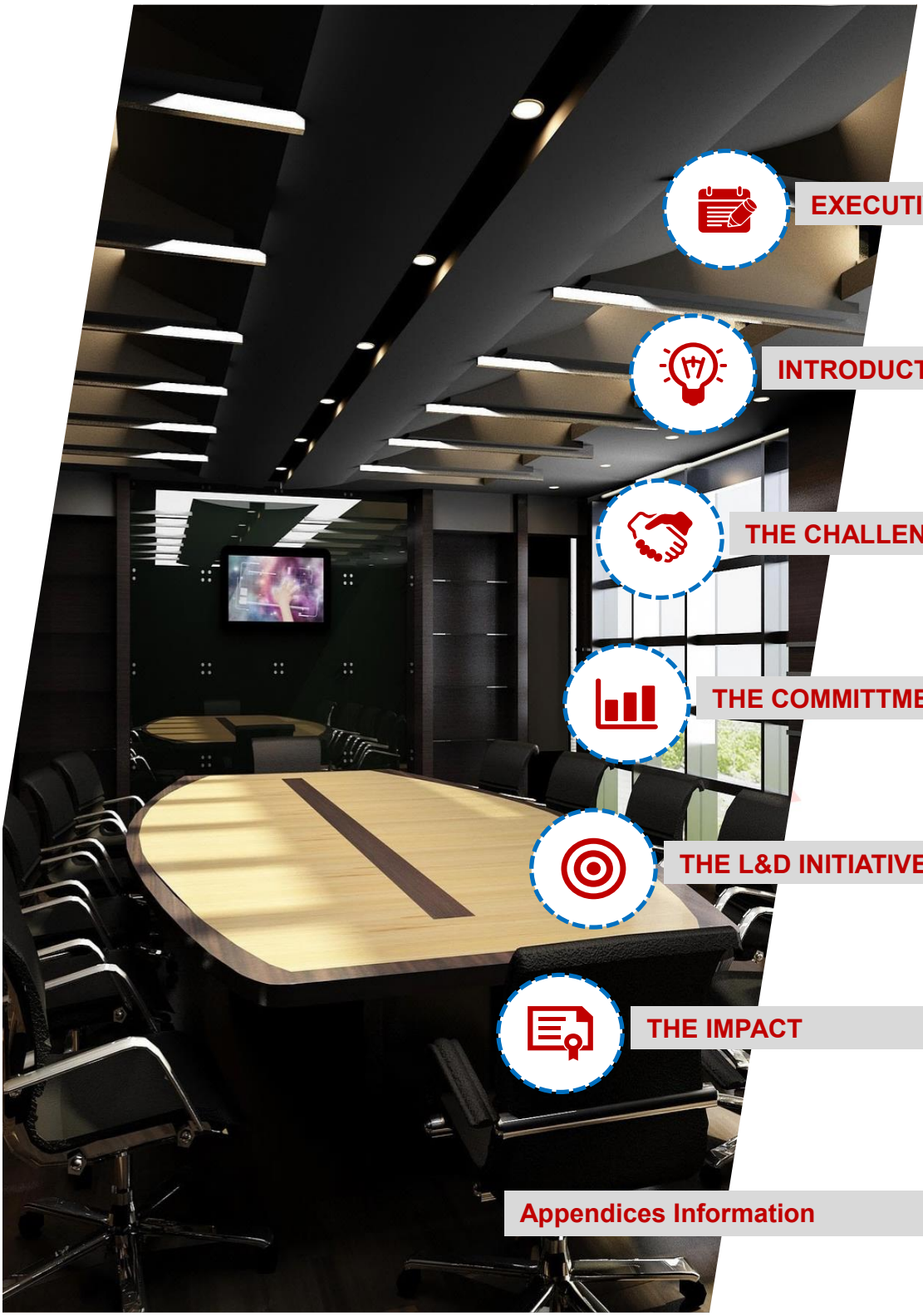

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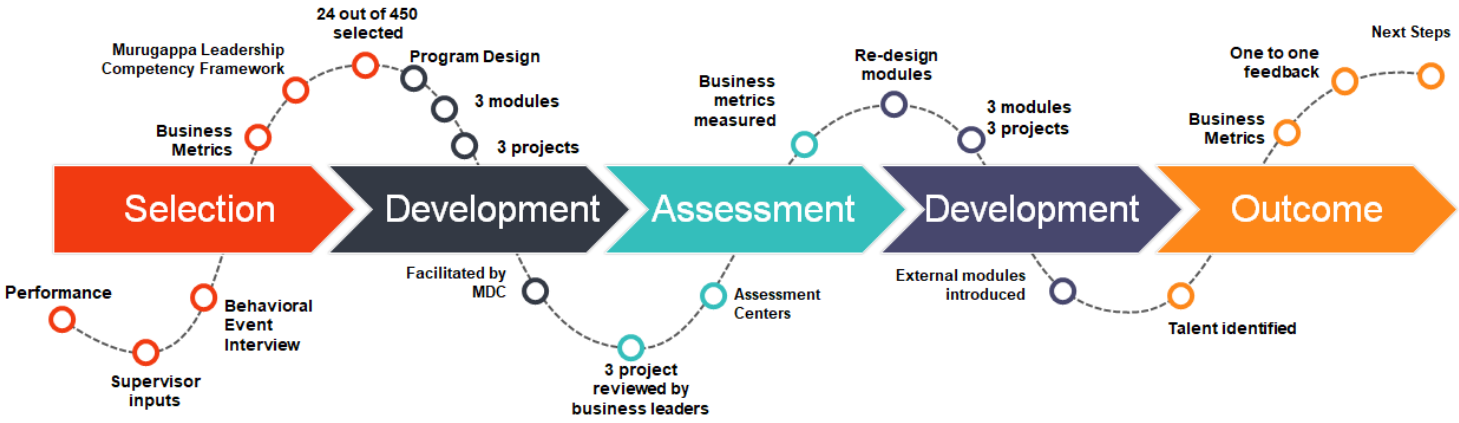
EXECUTIVE SUMMARY

Chola MS (Cholamandalam & Mitsui Sumitomo), a joint venture that entered the insurance business in 2003 with a vision to be the most respected company amongst General Insurance in India, sought to provide a career for hi-potential branch managers to evolve into next level leaders. Chola MS leadership recognize that Insurance sector needs committed and quality talent. The leaders also feel the need to have quality sales managers and agent advisors to ensure need based and right selling.

Chola MS partnered with Management Development Centre (MDC) to prepare the identified transition role holders who have performed consistently well over the past 2 years to evolve into next level position by providing opportunities to learn, progress and grow. Named **"Cluster Leadership Program" (CLP),** this journey was developed around two key principles: **to provide every participant with a career path and an opportunity to display their business** and **leadership skills to reach the next level**. In its current form, the program offers quick perspectives to gear up to face challenges of the future.



Started with an aim of providing career development to individuals, CLP exceeded expectations by providing tangible **business impact with a 14% GWP (gross written premium) growth**, **27% productivity increase** and visible increase in customer loyalty with **increase in number of insurance policies by 80%** during the course of the program. The business acknowledged a significant **32% increase in customer acquisition and business growth of 14%** from November 2018 – February 2019 as direct contribution from the CLP. Overall, the company assessed readiness of their talent with 40% CLPians ready to independently perform in the new role with little support and the remaining secondary pool to be further mentored and up-skilled for next 6 months.

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INTRODUCTION

Facts about partners:

Grown at a CAGR (compound annual growth rate) of 45% YoY since inception to reach a GWP of US$ 616 million in FY 2017-18 and a PBT(profit before tax) of US$ 52 million **Chola MS** has consistently maintained a market share of 3%, ,ranking 7 amongst private players in the general insurance industry.

Management Development Centre (MDC), is a strategic, group wide initiative that was formulated keeping in mind the need for a holistic learning experience. Engaged by group companies to create a learning architecture to be adopted, MDC vision since its inception in 2003 is to build organization capability to deliver superior business performance by providing competency building, research and development and consulting services.

Cholamandalam and MDC is part of the INR 329 Billion **Murugappa Group,** a pioneer and market leader in several fields with manufacturing facilities across 12 states. The Murugappa Group has a strong presence in abrasives, engineering, bio-products, sugar, farm inputs, plantations and nutraceuticals. Few company names in the group include Carborundum Universal, EID Parry and Tube Investments of India.

MR. SS GOPALRATHNAM

MANAGIG DIRECTOR
CHOLA MS

We have made tremendous progress in our digitally enabled retail format for building low cost distribution in tier 3/4 markets. We recognize that Insurance sector need committed and quality talent. Therefore CLP will help us to identify and develop hi-potential business leaders who will be the future Cluster Managers and will drive business growth and profitability.

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The Partnership:

When MDC and Chola MS partnered, the message from the leadership was very clear, "evolve a signature program with the objective to develop the team to the next transition role of Cluster Manager at work level 2 (first time leaders) of Murugappa competency framework". Though we saw the benefit to start from designing job description for this new role, challenges were there, to make the strategic and business learning contextual for these frontline leaders. These identified managers were absolutely new to the topic of leadership and management.

However, we capitalized on the benefits of having leadership support, prior relationship with business, specific business understanding and opportunity to make a visible impact on the business metrics by developing these sales leaders. ***With initial job analysis and thought-out design, program went through an insightful journey leading to transformation of job description, modules, mindsets and measurements resulting in significant financial impact, more than stakeholders initially presumed.***

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Snapshot of the job description

Desired Profile

- Responsible for end to end operations of 5 branches with each branch Production target of 1.5Cr. per month
- Build the Distribution Channel for all 5 branches
- Build an agent base of 750 active agents in 5 branches
- Ensure branch activation of 75% per month
- Build and maintain a Channel mix of BDO 40%, DST 30%, POSP 30% per branch
- Achieve Product mix of Motor 70% and Non-Motor 30% including health

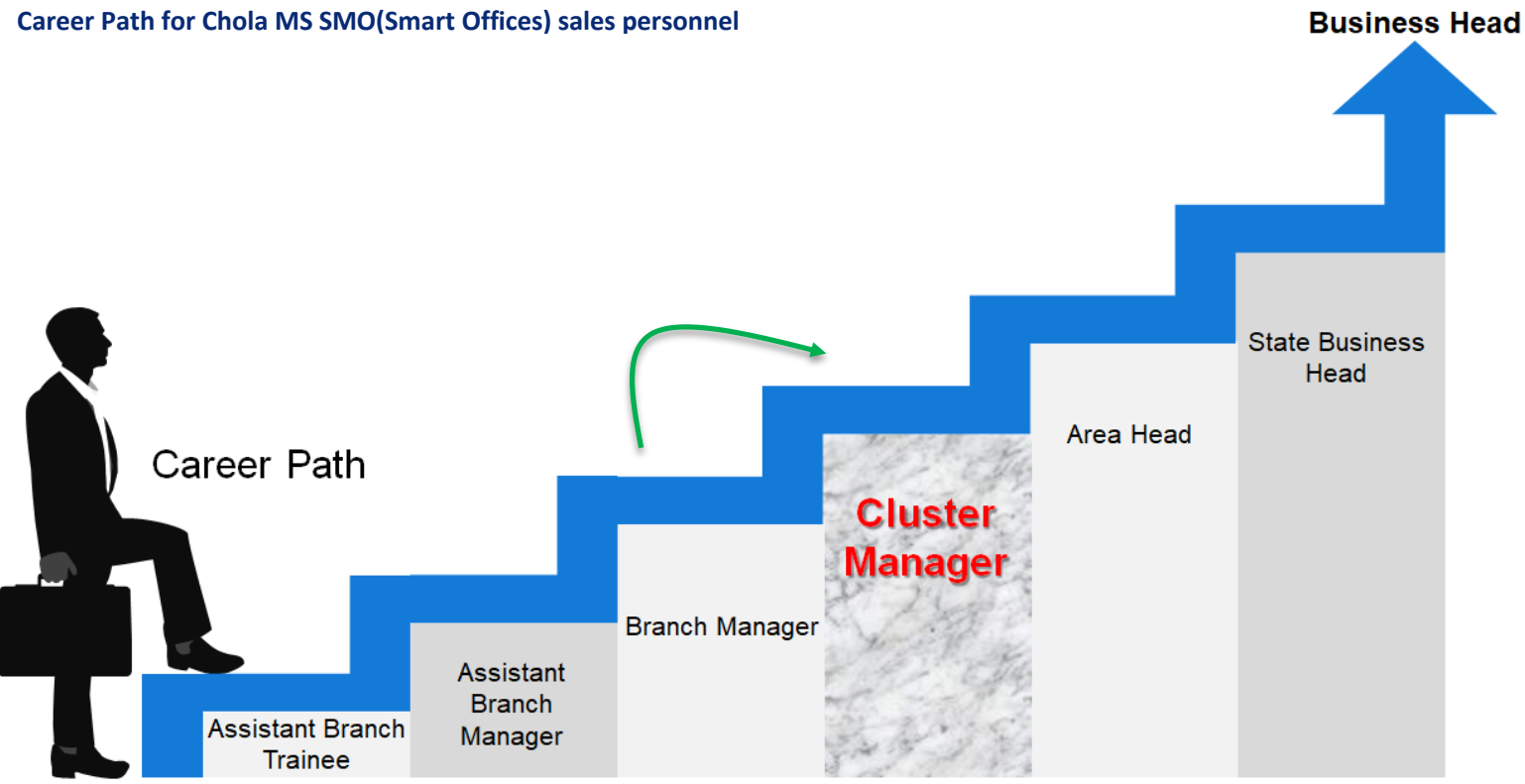
Qualification

- Graduate with at least 4-6 years of experience in sales. At least 3+ years handling agents team, and preferable 2 years in the insurance industry (general or health)

Skills Required

- Good communication to express the new thing in the market
- People management skills to manage and build the teams
- System knowledge

Career Path for Chola MS SMO(Smart Offices) sales personnel



Mr. Vedanarayanan Seshadari
President- Marketing & Customer Service, Chola MS

As we expand into new markets and additional production/ lines of business, in order to build a strong and sustainable distribution network, the first step is the "distribution build' the journey is to find the right set of leaders. These leaders along with their teams will create, develop, manage/ service our channel partners and customers while executing the company's plans in each of the markets in which we operate.

THE CHALLENGE

Current Landscape of Insurance sector

India is the 15th largest non-life insurance market with an insurance penetration of 0.8% to 0.9% compared to Asian coverage of 1.93%. With industry expected to grow by 10-12% YoY to reach INR 3 lac crores by 2025,

Chola MS has set the target of approximately US$ 1500 million with specifically SMO (Smart offices) business to grow from 500 branches to 2000 branches. Chola MS SMO vertical works with a unique digital office model wherein pre-loaded policies are readily available for customers at their branches (Chola Insurance Express).

While formulizing plans to achieve business goals, there was a need to build a strong pipeline of leaders who can move quickly into the leadership role and deliver to the best of their ability making significant impact on business metrics. So, Chola MS approached MDC to help them with this.

With a structured **Learning Needs Analysis framework** initiated by MDC, Chola MS leadership articulated the reasons and expectations more specifically:

- Between Branch Managers managing 1 branch to Area Manager managing 25 branches, **there was a vacuum felt in between these two layers** with a significant gap in skills and knowledge.
- There was **no clear career path for BM**
- **Hiring cost** of one Area Head is 100% of their current salary
- **Prevent talent** from being poached by competition

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The leadership laid clear expectations from the learning journey, that is:

- Learning that is contextual to business
- Simple models and tools that are easy to execute
- Impact on business metrics post each module
- Use of variety of learning methods
- Murugappa Values to be reinforced in every program

While laying the expectations, senior management of Chola MS also identified the critical competencies culled out from Murugappa Competency Framework to be the focus, right from the selection process.

The focus was to make the hi-potential transition role holders understand that it is not a recommendation but a mandate to learn and exhibit leadership skills in their new expected role along with functional competence. The steering committee comprising of Chola MS leaders and MDC partner also articulated the role of each individual involved in design and flawless execution of this project.

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LEARNING NEEDS ANALYSIS QUESTIONS DISCUSSED WITH CHOLA MS LEADERSHIP TEAM

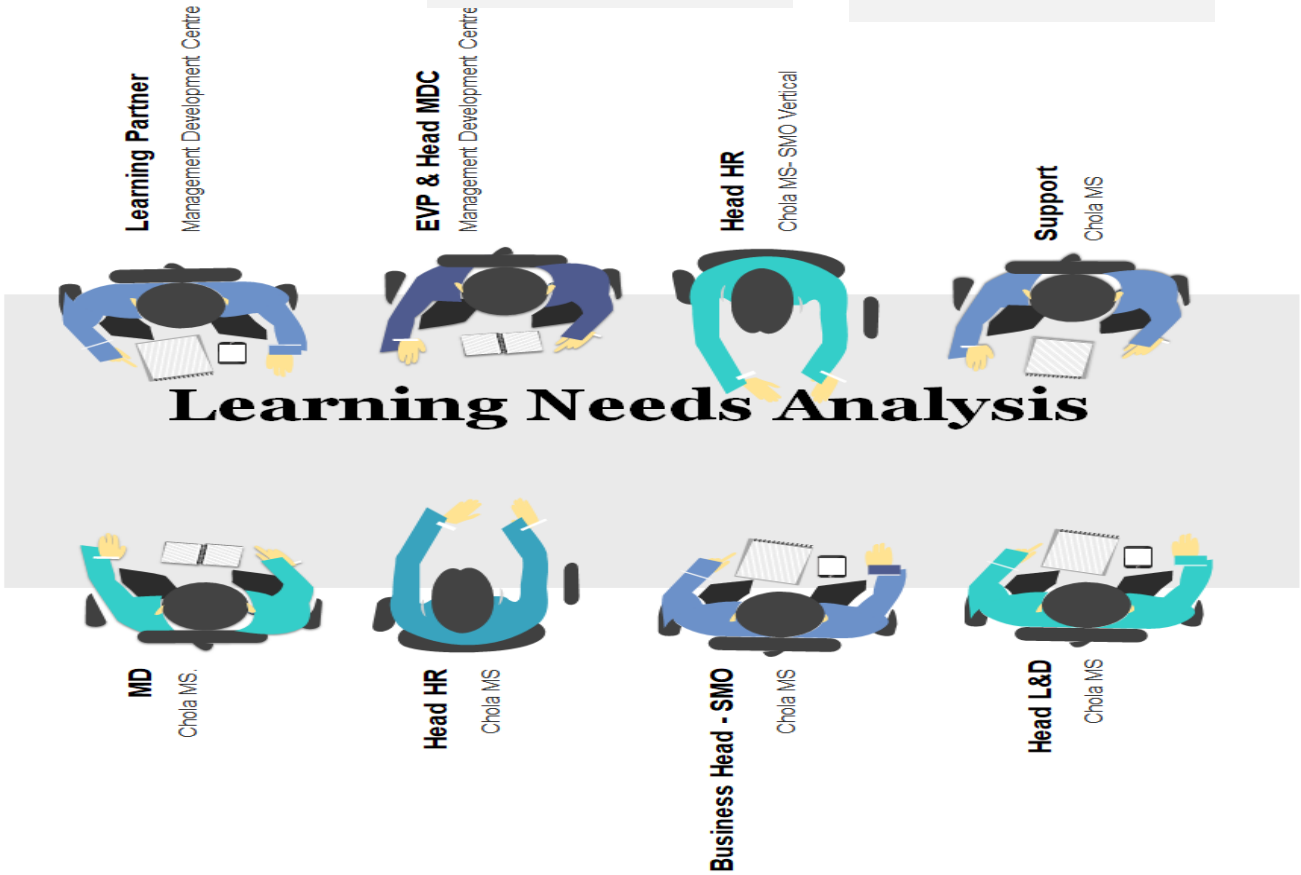
What are the major concerns that prompt the need for this intervention?

Are there any specific issues to be addressed and what are the implications of these issues in relation to team/organization and effectiveness of individuals?

What is the objective of this exercise?

What are the deliverables expected from this intervention?

How you would measure the effectiveness of this intervention?



RESPONSE OF Leadership Team of Chola MS

"We have to communicate to these business managers that though numbers are critical, values are non-negotiable. Also we need to mention that there is zero-tolerance to any violation of five lights."

"We are committed to developing our talent and believe that investing in our people is an investment in our future. I am confident this program will identify the right people who will support our growth 'and help us drive strategy execution."

"We want managers to be leaders and be way more than we use to ask of them earlier.'

"Top management also acknowledges, "if all potential leaders have only technical skills, they are managers, not leaders….The need is to build the middle level leadership pool handling the non-experienced/ experienced specialists working in their teams."

THE COMMITMENT

MDC had in the past partnered with Chola MS on various initiatives like team interventions, leadership programs, and process excellence. The long-standing relationship with leadership and ease of communication between the two verticals made it easy for us to collaborate for this initiative.

When Chola MS approached MDC, they were clear that MDC will tackle the expectations both from individual and business perspectives. MDC took the challenge with zest, with commitment to the following design criteria to make it work:

1. **Rigorous and objective selection process** that ensures induction of the right candidate.

2. Relevant and **strong job description** for Cluster Manager which highlights business and leadership demand for this role.

3. **Periodic review** and updates in the curriculum to ensure relevance.

4. **Consistent involvement of business leadership** and developmental experts to ensure any correction required during the journey

5. **Securing business ownership and commitment** through regular involvement of senior management

6. **Periodic review and tracking** progress of CLPians long before they complete the program

7. At the end of every module, there will be a **leadership talk** by a senior business leader

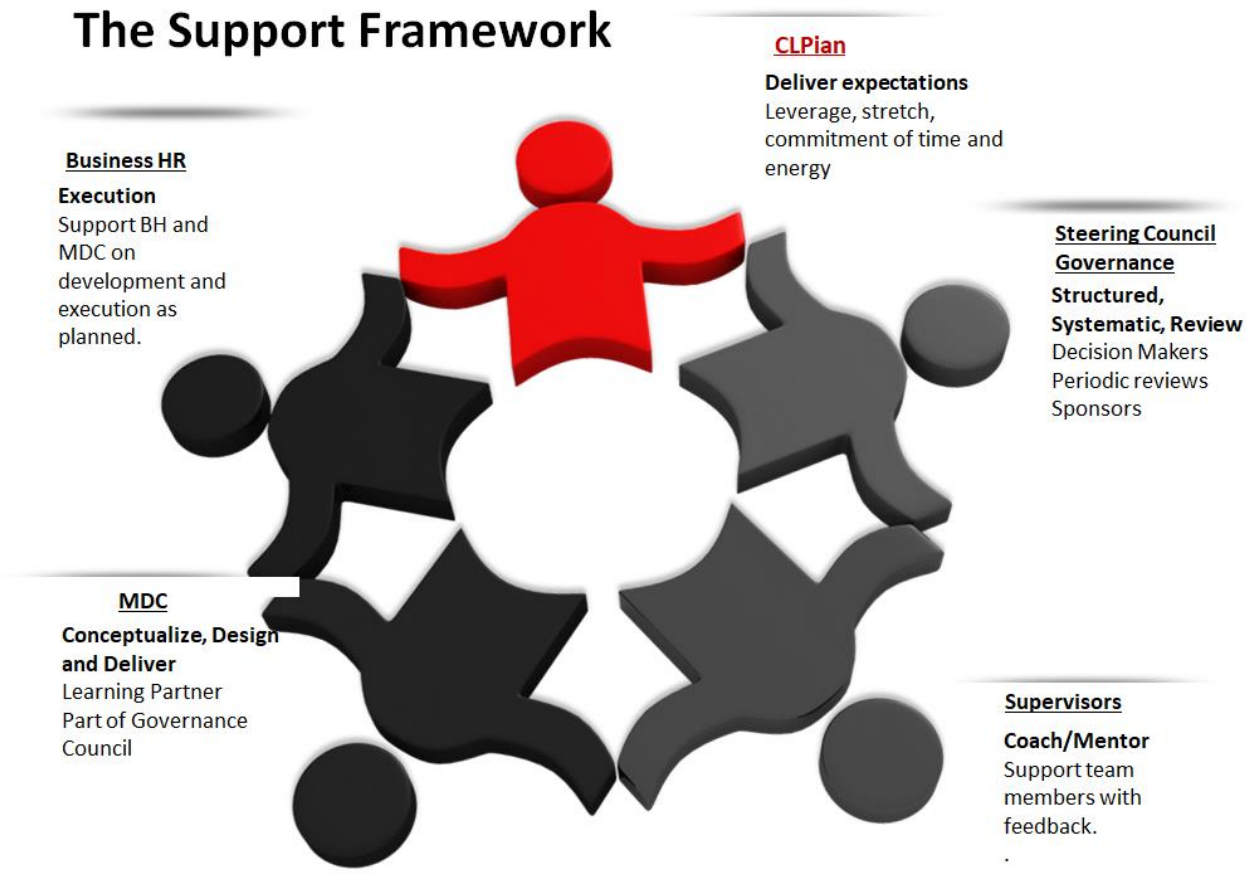
8. State Business Heads will **mentor and coach** each participant.

9. Develop a **signature program**, delivered in phases with most sessions run by MDC facilitators

10. **Measure impact** at each phase with a structured assessment process in place at different points in time.

The Support Framework

Far from being just an "HR initiative, CLP was fully supported by and engaged the senior management and business leaders throughout the execution process.



Additional initiatives to support transformation were initiated through internal newsletter and the recognition of participants and their initiative implementation through awards.

THE L&D INITIATIVE

Approach to LEAD

Identification	Selection	Mapping	Development	Assessment	Valediction
Business along with MDC will decide on the **competency matrix** for each level basis **current role, complexity of job and expectations.**	MDC to identify **external partners** to be involved in the psychometric assessment.	Participants will be mapped on **the 9 Box grid** basis performance and potential.	Program will be delivered internally however will have **DDI modules** (external partner).	Projects will be **assigned by business heads** for **during and post** the program.	Basis the program flow, MDC along with business heads will provide the program **outcome, recommendations and next steps.**
Business to identify participants for selection process, basis business performance.	Participants will go through a **rigorous selection process** involving both internal and external assessment.	Participants will be shortlisted basis performance and potential for CLP.	CLP will be facilitated by MDC along with business leaders from Chola MS and other businesses too.	*Participants complete the program and will be given projects which will be* ***assessed by Steering Committee.***	***Overall assessments and valediction*** *process for CLP. .*

The **section process** was the most critical phase of the CLP as it was important to find the right candidate to wear the mantle of leadership through a **fair and transparent process**. Finally, participants were mapped on **9 Box matrix** based on their aggregate ratings.

Performance Rating 55%

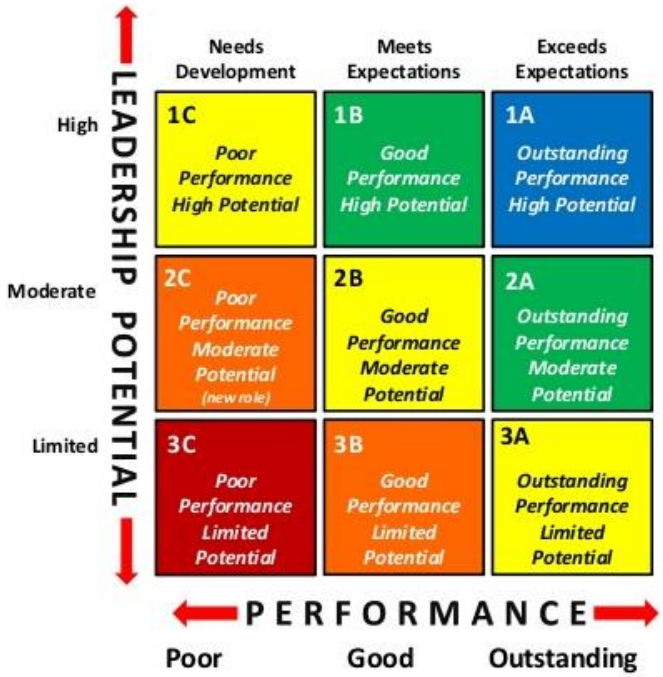
Appraisal evaluation of the participant in the last one year including specific supervisor's feedback

Face to face Interview 35%

Steering committee along with partners' representative will conduct one to one interviews. This includes a Group Discussion too.

Psychometric Assessment 10%

All participants will go through a third party psychometric assessment to identify personality strengths & development.



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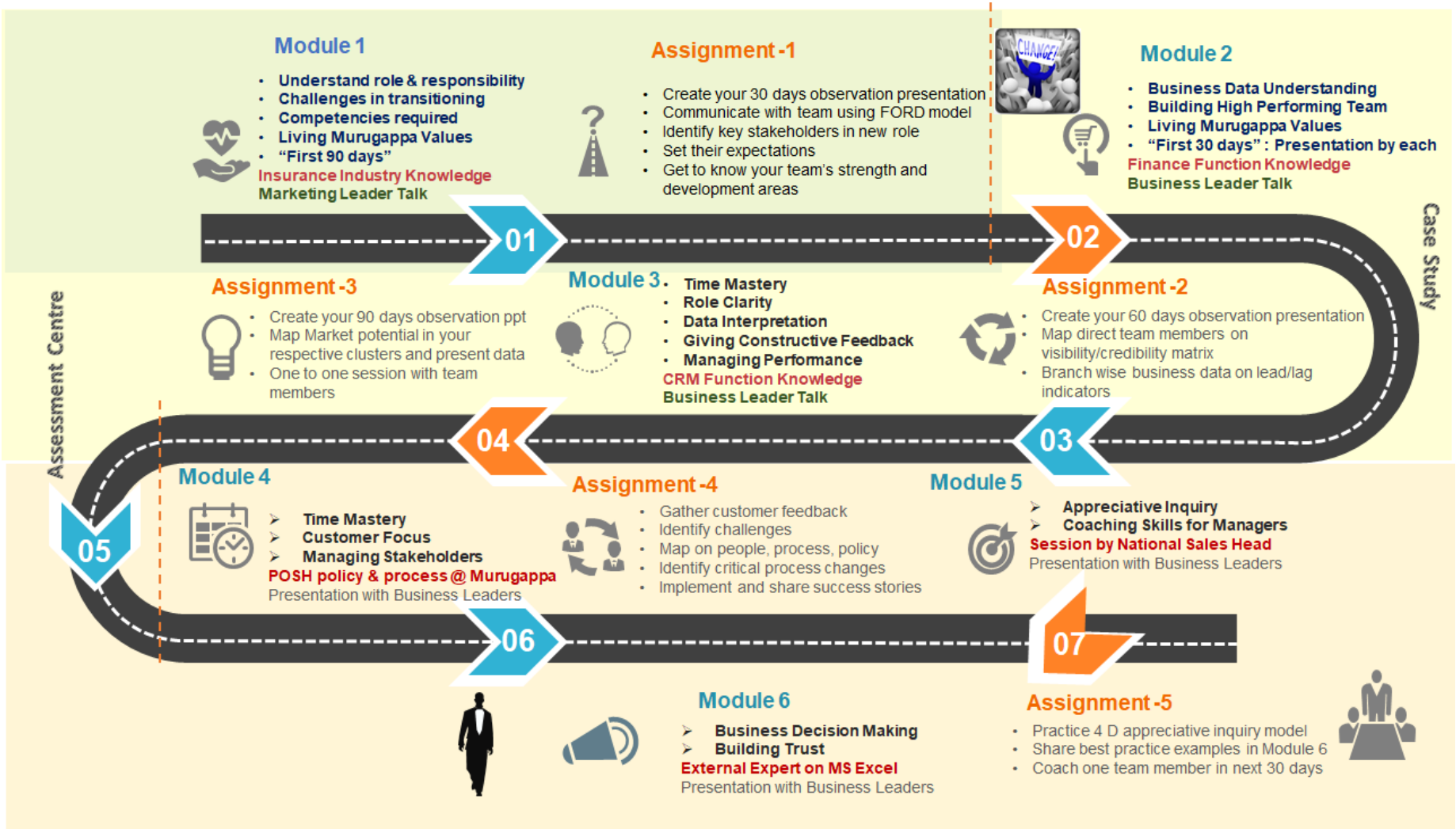
CLP Journey overview with 6 phases



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The initiative was designed focusing on three dimensions:

- Managing Self
- Managing Others
- Managing Business

Prior to module 1, MDC carried the structured job analysis for this new role, however it was a journey of self-discovery. **Progressing along this journey, participants defined their role both as a business manager and as leader, and started to gain insights on their new responsibilities.** *The journey was inspiring (will share more in the "learning section").* Multilingual participants, varied experience and a new step in leadership were initial concerns for everyone, however module metrics depict the evolution of both the program and participants.

Challenge faced at the beginning

Module 1 focused on confronting reality of the new role and its contribution to business. It was a reality check for both participants and MDC. The first interaction in the program left MDC feeling perplexed and hurled a new challenge. The participants' actual learning pace and business understanding was unalike to what was expected initially. MDC collated the observations, learning and inputs from other observers, and proposed to relook at the design of upcoming modules with business leaders. The choice was either to continue with same pace same modules and expect no return on investment or take this as a challenge and redesign the framework at this stage. However, business was reluctant to change the pre-decided stages. MDC had to find the solution midway.

Breakthrough in CLP journey

From module 2, there was a conscious decision to emphasis more on case studies, simulations, data structure, data analysis. Session on "Personal Grooming and Hygiene" and "Executive Presence" was initiated in module 2 and 3. Participants were given opportunities to present case studies from other industries and relevance of their learning in insurance. The result was that by the end of module 3 participants were able to present structured data and correlate it with business goals. This was a breakthrough in the process. **Both module 2 and 3 transformed the journey from content to experiential driven, an unintended yet significantly important and welcome outcome.**

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Involvement of business leaders

During the module 3 and 4 journey, business leaders were invited to observe presentations by participants. The insights gained by CLPians during these discussions progressed them to a comfortable position by module 5 presentations. Leaders from other businesses were also invited to share their experiences with participants. Continuous dialogues between participants, MDC and business leaders during modules increased participants' comfort level in the program.

Shift from technical to behavioral

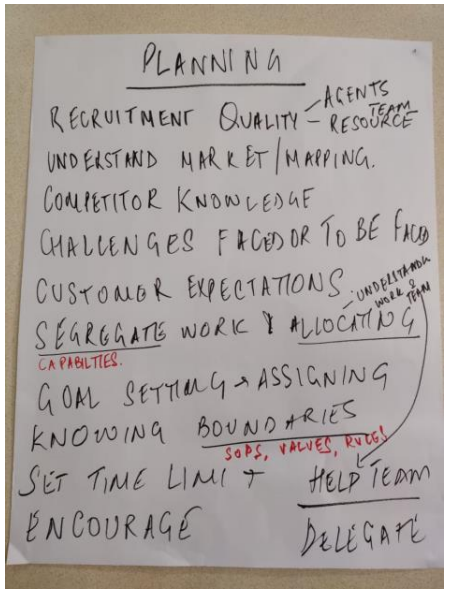
Module 5 focused on methodologies like appreciative inquiry and coaching which participants practiced during session. CLPians by now had a visible change in their confidence and business vocabulary and the same was observed by business leaders on shop floor too.

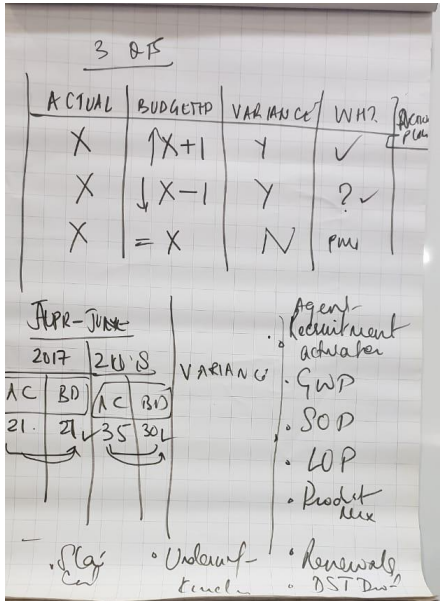
Between modules, the participants had approximately 4 weeks to work on initiative application within their business areas. This was a non-negotiable step which by module 3 became a norm and the comfort level on both presentation style and content was visible by the leaders too.

Measure impact mid-way in CLP journey

By the time we completed module 3, business head asked for a **detailed assessment** basis the learning from last three modules. Taking this as an opportunity to further support participants and business, MDC conducted a **structure Assessment Centre (AC)** process. We brought in trained assessors from other businesses to get a neutral perspective and structured the AC using the new role challenges and expected competencies.

Few examples of classroom charts prepared during modules while interaction with





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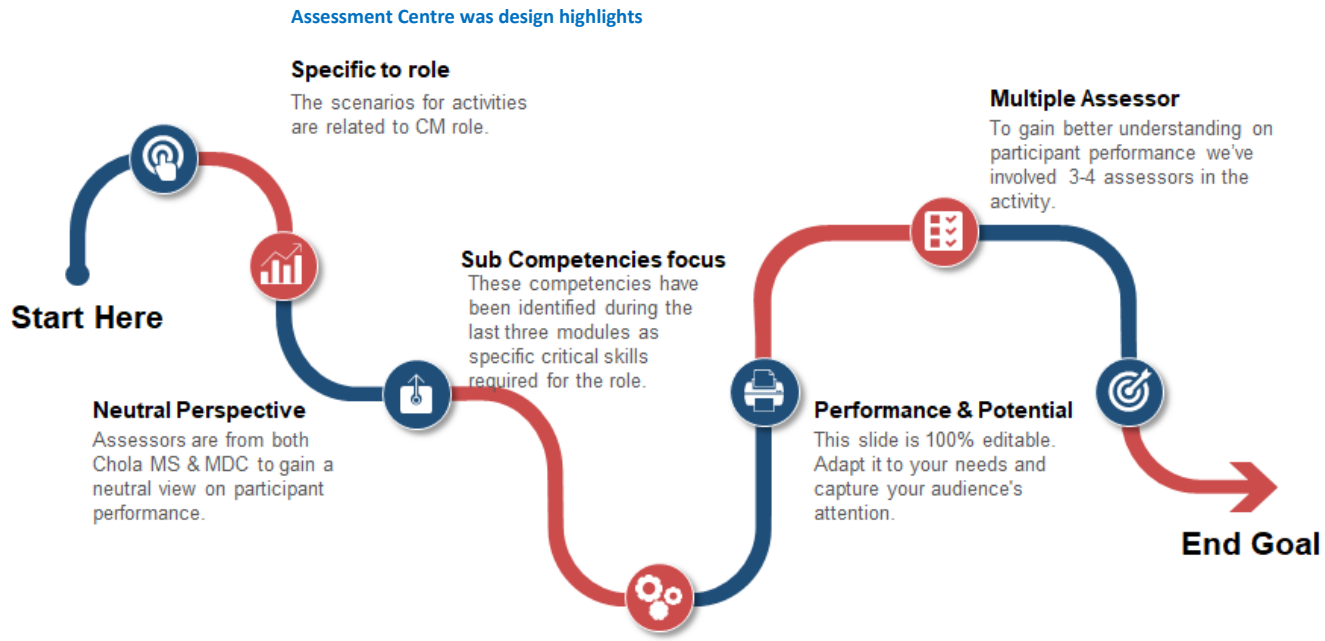


Post Assessment Centre, feedback sessions along with IDPs were co-created with participants, reporting managers and business HR.

Until module 4 the focus was a lot on business understanding, market insights, data analysis, and problem solving therefore for module 5 and 6, we emphasized more on people management skills. In module 5 we introduced 'appreciative inquiry' wherein a trained facilitator was invited to conduct the program and help participants practice AI (appreciative inquiry) methodology. The second day of module 5 was to equip these leaders with coaching skills to help them build leaders within the team.

THE IMPACT

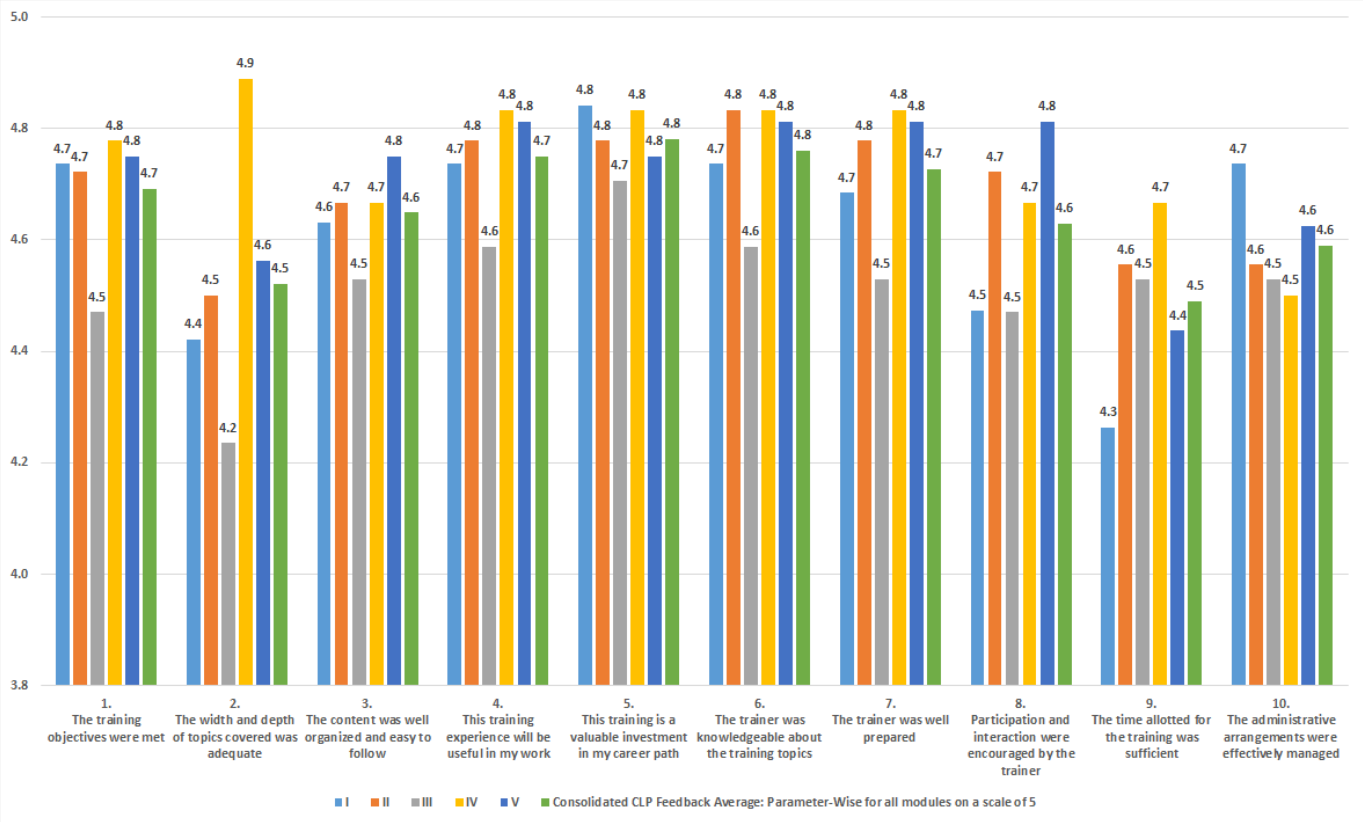
Overall 18 branch managers participated in the program, where the lessons could potentially cascade to another 20% of the organization. So what was the impact?

During design of the program, the measurement criteria were:

1. **Business metrics** as mentioned in their job description
2. Overall scores of **evaluation sheets** post each module
3. **Feedback** from supervisors post the module completion

However, Measurement analysis evolved during the program.

MODULE IMPACT



Module 1: **Overall score of evaluation sheets post each module**

Module 2: Overall score of evaluation sheets post each module + **Individual feedback report by facilitator on the basis of the performance during the module and also the presentation + basic understanding of numbers horizontally and vertically**

Data metric sample

actual	budget	variance	why	action plan	support

Module 3: Overall score of evaluation sheets post each module + Individual feedback report by facilitator on the basis of the performance during the module and also the presentation+ basic understanding of numbers horizontally and vertically+ **mapping partners and market insight**

agent	credibility (knowledge of products, services, offered by Chola MS)	Visbility (willingness to sell products in market)	strengths	weaknesses	How frequently branch managers connect with agents	what we want to do	support

Module 4: Overall score of evaluation sheets post each module + Individual feedback report by facilitator on the basis of the performance during the module and also the presentation+ branch wise data shared + market insight + **customer centricity (gather data, design value mapping, identify critical process, what change)**

Questions	Who	what	why	what actions	How	When	Where
Customer Segemnt	**Sub Segments**	**Needs**	**Categorize**	**Actions**	**Process**	**Timeline**	**Measurement**
	Sub-Dealer		People	lead			
	Multibrand		Policy	lag			
Dealers	Used Car		Process				
Agents	Individuals						
	Consolidator						
	Brokerage						
	Corporate						
	DSA						
Direct Customers	Walk in						
	CRM Leads						
	References						
Financers	Banks						
	Corporative Soc						
	NBFC						
	CA						
	Local money lenders						

Supplier	Input	Process	Output	Customer
CRM Team	Customer Lead data sheet	Allocation of region DST as per customer mapping	Customer information document to DST	DST
DST	Customer information doc	Transfor of information on product & process to customer	Convincing customer	Customer
DST	Vehicle data & availability	Inspection as per standard procedures	Completion of inspection c	UW team
UW team	Inspection checklist	Completion of approval process	Approved policy	DST
DST	Approved policy	Delivery & Collection of payment as per procedures	Isue policy	Customer

Module 5: **Overall impact on both cluster lead & lag indicators & how +**
Overall impact on team performance & how +
Success stories +
Recommendations for improvement

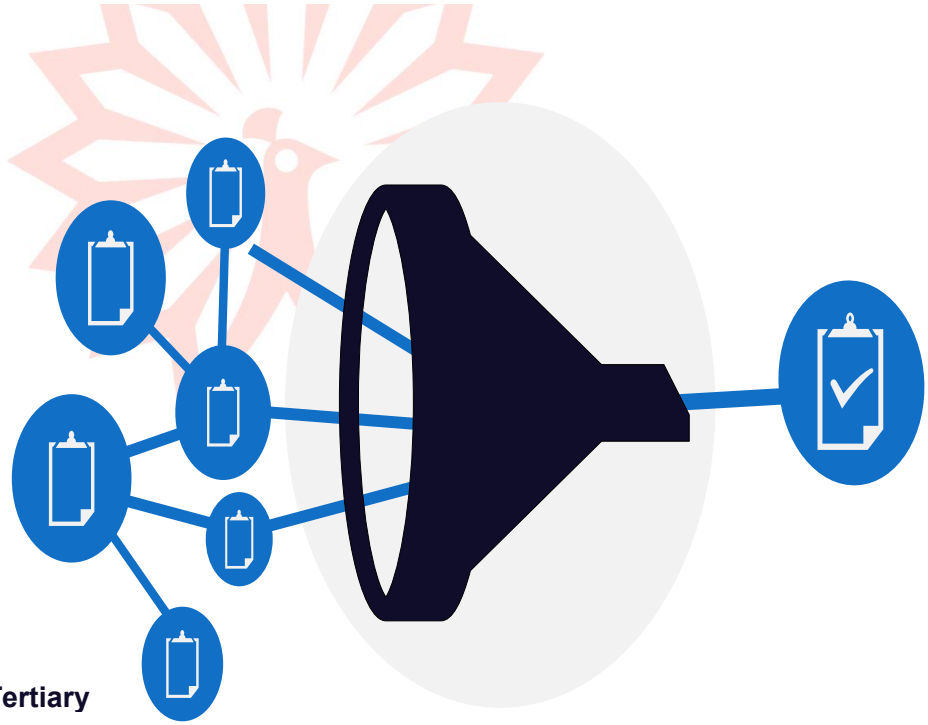
INDIVIDUAL IMPACT

On the basis of performance and potential assessments, individual's readiness for the next level and a group analysis report was presented to top management. Highlights were:

- 40% CLPians are in the primary pool
- 60% CLPians are in the secondary pool

We further stack ranked reports for decision making.

S. No	Name	Location	Performance Rating			Course Evaluation	Sub-Competency Rating										Feedback
			2018	2017	2016	Feb 2019 Mid-Prog Test Scores	Data Analysis	Data based decision making	Prioritization	Role Understanding	Customer Focus	Feedback	Presentability	Presentation Skills	Murugappa values	Long Term Thinking	IO/RO Comments
1	Vishnu	M&G															
2	Dharmendra	TN															
3	Manik	TN															



Primary

Individuals with consistent 2 or above rating and >3 in all competencies These individual are ready for the role in next 3-6 months

Secondary

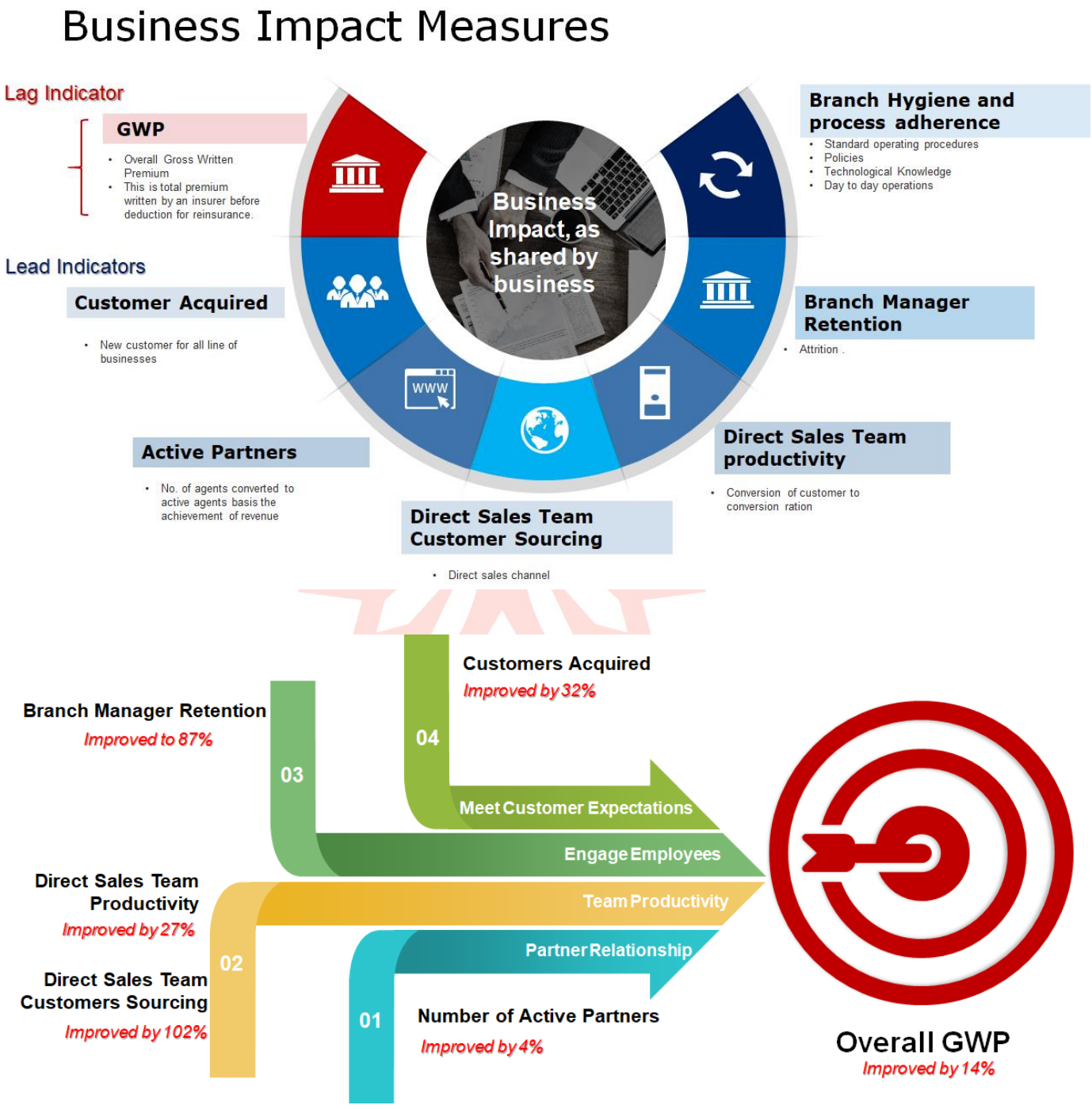
Individuals with mostly 3 or above rating and >3 in most of the competencies however needs improvement in some

Tertiary

Individuals with <3 ratings and <3 in most of the competencies. These individuals need to be observed closely for another appraisal cycle.

BUSINESS METRICS

Lead & Lag indicators for measuring branch performance



The percentages mentioned in the above diagram are basis inputs shared by business.

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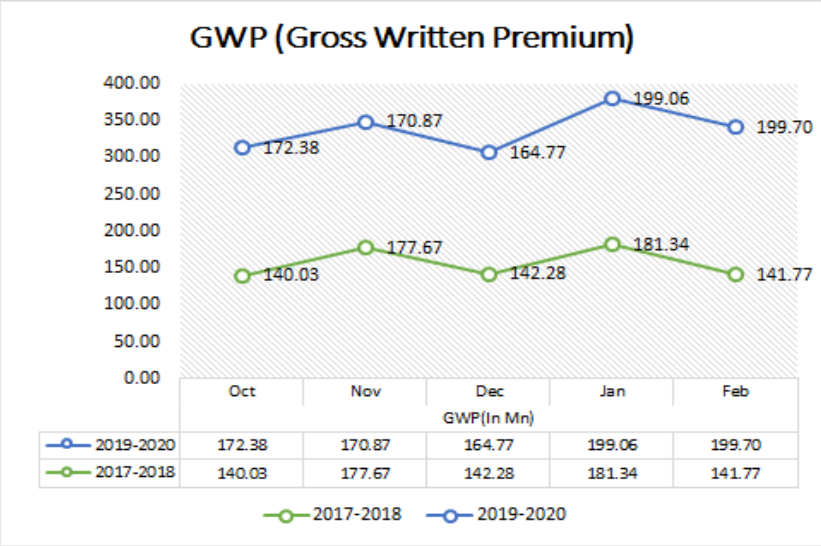
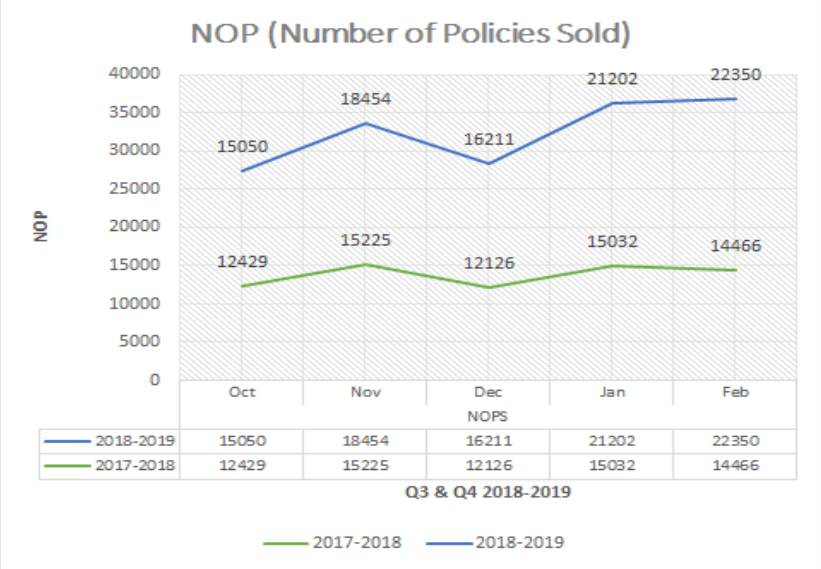
The Cluster Manager programme started during November 2018 and the following are the improvement in critical business parameters with clusters compared to the previous three months (Sep 2018 – Nov 2018) Vs (Dec 2018 – Feb 2019) as reported by the business.





Numbers represented in the graphs are showcased by business for Q3/Q4 YoY 2017-2018 & 2018-2019 comparison.

Biswajeet Padhi
VP & Principal Officer- SMO

Partnering with MDC for Cluster Leadership Program was a key step in the transitioning of our business managers. With significant 32% improvement in customer acquisitions & business growth of 14% between November 2018 – February 2019 , we appreciate the impeccable design and flawless execution of the MDC team in conceptualizing this intervention.

We look forward to launch our CLP batch II soon and also in discussion with MDC for the next level leadership program for our Area Heads.

THE LEARNING

As mentioned in “L&D initiative” section, the CLP journey was inspiring with the range of outcomes extending from the inner work of transformation to the outer work of organizational capacity building. The process of achieving these outcomes began after participating in the program and it developed and deepened over time. Thus the change was observed at later stage in the process.

To develop projects, approaches, and tools that will enable us to capture change and transformation over time. One approach to capture learning was to specify stages of growth and development that become benchmark to assess how individuals and business are nurturing and deepening their leadership capacity over time. This MDC captured in the **“module metrics”** wherein we designed the business metrics along with the participants during the sessions. **We understood that if we have a strong business metrics defined to bring about how change and transformation occurs over time then in our evaluation we can have strong evidence on where individuals are along a continuum of leadership development and change.**
Other learnings are:

- Introducing a transition role in the organization structure needs **strong leadership support** and clear must wins defined.

- The **Executive team must be intimately involved** in the journey to show their support and to create high-level motivation and buy-in for the whole journey.

- Impact can be measured and seen along **several levels of analysis** during the program too, including individual, business and organizational.

- Even if you have defined your program structure, **the “real” change is where participants start realizing the need for change.**

And this entire CLP journey validated that:
Organization is an institute, business is education and leaders are the real teachers.

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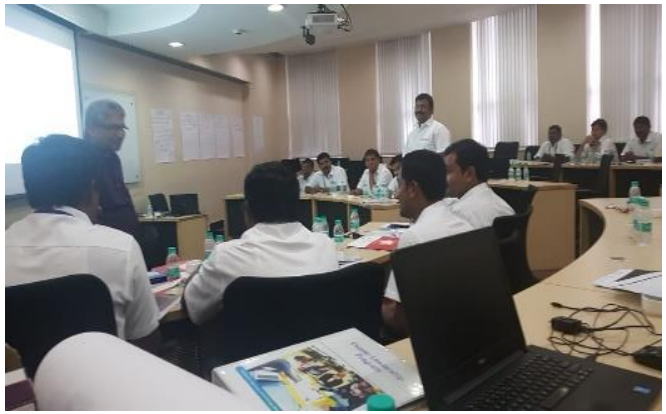
Participant Testimonials

My acceptance level has increased after this training. I am now able to self-analyze, deem myself fit into a leader's role, remembering that no individual is above the team

I am now clearly able to understand customer centricity. I am following Chola MS values to serve my customers. This program has made me more stronger in my approach

What I liked most about this training is the in-depth guidance we received on our job roles and responsibilities

I have got a better understanding of the process involved in planning leadership roles and responsibilities, team handling and customer satisfaction

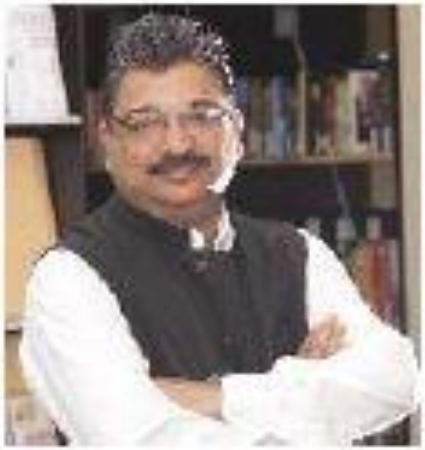


THE TEAM

Manoj Kumar Jaiswal

EVP & Head MDC

Part of Steering Committee for CLP
Conceptualized & designed the program



Heer Kansal

General Manager, MDC

Conceptualized, Designed & Delivered the program

Fri 3/15/2019 9:50 AM

Sriram G-AGM-HR-HO-CIDSPL

CLP : PARAMETERS

To Manoj Kumar Jaiswal–EVP–MDC-Murugappa Group

Cc Biswajeet Padhi-Vice President & Principal Officer HO-CIDSPL; Shailen Merchant-Vice President & Head HR-HO-Chola MS; Heer Kansal - General Manager - MDC

You forwarded this message on 3/15/2019 11:19 AM.

With reference to your discussions with Mr. Biswajeet Padhi, kindly find below the CLP parameters.

The Cluster Manager programme started during November 2018 and the following are the improvement in critical business parameters with clusters compared to the previous three months (Sep 2018 – Nov 2018) Vs (Dec 2018 – Feb 2019)

Improvements in critical business parameters :

1. The number of customers acquired during the period (Dec 18 – Feb 19) has improved by 32%.
2. GWP has improved 14% during (Dec 18 – Feb 19) compared to (Sep 18 to Nov 18)
3. No of active partners improved by 4% during (Dec 18 – Feb 19) compared to (Sep 18 to Nov 18)
4. Direct Sales team customers sourcing has improved by 102% during (Dec 18 – Feb 19) compared to (Sep 18 to Nov 18)
5. Direct Sales team productivity has improved by 27% during (Dec 18 – Feb 19) compared to (Sep 18 to Nov 18)
6. Branch Manager retention is at 87%.
7. There are substantial improvements in branch hygiene and process adherences.

Regards,

Appendices

(attached as separate files)

- ***Assessment Centre report*** *of a CLPian*
- ***Observation of participant's performance in a module and pre-work for preceding module document.*** *This document was a regular feature post every module of CLP shared with business heads, HR and L&D.*
- *Assessment Centre Design presentation showcased to business leaders*
- *Business presentation by a CLPian done during a module. This presentation showcased data which participants were asked to present on the basis of their learning from previous module.*

Developing Frontline Leadership Excellence

Chola MS & Management Development Centre @ Murugappa Group, 2018-2019