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R.M. VISHAKHA

48, MANAGING DIRECTOR AND CEO, **INDIAFIRST LIFE INSURANCE** ▲ 38

AGAINST ALL ODDS

AFTER STEERING HER FIRM TO PROFITABILITY,
VISHAKHA WANTS TO REVOLUTIONISE THE INSURANCE SPACE
BY FOCUSING ON THE RETAIL AND MICRO SEGMENTS.

BY JUI MUKHERJEE PHOTOGRAPH BY NARENDRA BISHT

KEY ● NO CHANGE ▲ MOVED UP ▼ MOVED DOWN ★ NEW

IN THE EARLY 1980s, when shampoos in sachets debuted in India at a 'princely sum' of ₹1, no one knew the revolution it would spark. After more than three decades, small still sells and how. From cold drinks in 200 ml packs to phone recharges in denominations of ₹10, the success of bite-sized products and services has been one of the biggest learnings in product positioning in India.

R.M. Vishakha, IndiaFirst Life Insurance MD and CEO, wants to do the same with insurance—in other words, market "insurance in a sachet". She wants to make insurance policies as easily and readily available to the masses as shampoo sachets. "It is my long-held desire to make 'insurance in a sachet' possible... I want to do with insurance what FMCG companies have done with the market," she says, flashing a confident smile. She adds that if she manages to take insurance retail to that level, it would be a landmark moment.

Her vision is ambitious. According to the 2018 Economic Survey, India's insurance penetration stood at just 3.49% in 2016-17, only marginally up from 2.71% back in 2001. But she is determined to take insurance to the common man in every corner of the country. Given the 48-year-old's track record with IndiaFirst, it seems she is well-equipped to take significant steps towards that goal if not achieve it altogether during her term. In the three years she has been at the helm, IndiaFirst has grown from strength to strength. The company's individual new business growth rate was 43% and persistency, or policy retention, was 76% in March.

From posting losses in 2013-14, the company managed to turn a corner under her leadership, recording a profit of ₹6.9 crore in 2014-15 and consistently improving its performance. In FY18, IndiaFirst posted a profit of ₹51.2 crore. The company's assets under management (AUM) stood at over ₹12,622 crore as of March 31, 2018—an increase of 53% in her three-year term so far. It is no surprise then that her ranking on *Fortune India's* Most Powerful Women in business list has jumped from 38 last year to 35 in 2018.

She also displayed her leadership chops in June when U.K.-based Legal & General agreed to sell its 26% stake in IndiaFirst to Warburg Pincus. It is not common to see the responsibility of such a stake sale and shareholding transfer being entrusted to the company's MD and CEO. Generally, such decisions are taken by the company's board. Vishakha has also been entrusted with ensuring

operational continuity through the transition.

The shareholding change was agreed upon earlier this year and is subject to approval by regulators. "I hope by the October board meeting we should be able to execute the transfer and by early next year, say January or February, we should have the new shareholders coming in," says Vishakha. "We managed to attract investment bankers because of our own strategy; I have been focussing on value creation for some time now."

Abhijit Sen, former CFO of Citi India and board member of IndiaFirst as independent director, backs Vishakha's ability to handle such a process. "As the CEO, she has always been extremely balanced. She played a very proactive role in the process of change in shareholding and kept the management team together," he says, adding that the board greatly values her experience and expertise.

It helps that Vishakha is a chartered accountant by training and, by her own admission, is able to analyse deals through the lens of profit and loss, in a non-emotional manner. While this may sound a tad cold, it's not as if Vishakha is devoid of empathy—in fact it is one of her defining characteristics, say those who know her, like Monika Halan, an author and consulting editor at *Mint*, a financial daily.

It is this focus on empathy that sets Vishakha apart from the crowd when it comes to being an efficient leader. Thus, while a major item on her agenda for the company is automating as many processes as possible to optimise costs, she believes there will always be a need for humans, as empathy cannot be programmed.

She says IndiaFirst has been working on automating nearly the entire sales process this year, which will allow employees to use their knowhow better and prevent any mis-selling of products, something that has been a subject of criticism against the insurance industry as a whole. The company recently implemented its product recommendation engine (PRE), an automation tool which recommends policies to customers once their details and requirements are entered into it.

But humans will still be involved with the sale process. "It is very important to understand the customer's need and then recommend the right product. We always keep the other PRE—policyholder's reasonable expectations—in mind when doing business; in terms of what the customer expects as a return," she says.

A focus on empathy sets Vishakha apart from the crowd when it comes to being an efficient leader.

SHE THEN GOES ON TO elaborate the company's strategy so far: For the first couple of years the focus was on growing new business after which it changed to persistency and then profits. Going forward, Vishakha says she has trained her guns on pushing the micro segment of the business, in line with her larger vision for the company. In November 2017, IndiaFirst launched the IndiaFirst Life Insurance Khata Plan, a micro-insurance plan using government-run Common Service Centres, which are access points which deliver e-services to villages. Another step in this direction was collaborating with Oxigen Services to turn retail outlets affiliated with the payment solutions firm into distributors for IndiaFirst's products.

Vishakha says the company is looking at three different segments. The first is micro, from where the company will get volumes. The second is the middle segment, which Vishakha calls "the equivalent of a CASA [current account and savings account deposits or low-cost deposits] for a bank". And, finally, there's the high net worth segment where the high ticket size will contribute to growth, she says. She hopes that in the future the volumes from the micro segment will drive growth instead of higher ticket sizes. As of now, the ticket size for a policy ranges from ₹500 to ₹2 crore, with the average ticket size being ₹35,000-40,000.

Another cause close to her heart is gender

equality. That's no surprise as she recalls that as a child she wasn't treated differently from her brother. The siblings would run errands like purchasing cigarettes for their father from the neighbourhood shop or supervising construction work at their home.

She ensures that women employees are empowered and safeguarded against institutionalised sexism in the workplace. "Men say things like having a woman in the team makes things difficult because we can't do things like swear and call them at late hours," she says, adding they say even harmless compliments are taken the wrong way. "My response is, why do you feel the need to do these things with any employee," she says. After the #MeToo movement, men have become more stressed in the workplace, "but they need to go through the learning curve. More men should be espousing the gender equality cause," she says.

Personally, Vishakha says, she's faced two extreme reactions many times: Some say she has it easy with the board because she is a woman; but there are others who don't take her views seriously, and question her ability to lead. Often, though, it's all in the head. She recalls an instance when during a meeting with her board in a Mumbai hotel, a waiter came to take orders for refreshments. A board member said, "The lady will place the order." She struggled to convince herself that the gentleman suggested she order because she was hosting them, and not because she was the only woman in the room.

On the road ahead for the company, Vishakha says IndiaFirst is waiting for the right time to tap the growing market for young urban professionals using the digital route. She believes this is a great segment as young professionals are mostly looking at buying products online. She says other companies who have invested heavily in the online route to sell products haven't seen too much success so far, but obviously that doesn't deter her from her plans. "But we feel the awareness is yet to reach desired levels among customers in this segment... We will wait for this segment to warm up a bit more," she says.

On the possibility of an initial public offering (IPO) in the near future, Vishakha says FY19 and FY20 may not be the right time to go for an IPO given the upcoming general election. "But, as always, we will keep ourselves poised for any possibility that comes our way," she signs off, still sporting the confident smile. ■