



DEEPAK BAGAVANTH

08

**VELLAYAN SUBBIAH**  
MANAGING DIRECTOR  
**CHOLAMANDALAM**  
**INVESTMENT AND FINANCE**  
**COMPANY**

## Used technology and training to turn around the once loss-making financial services provider

**VELLAYAN SUBBIAH WAS ALL OF 44** when he was moved upwards to head the financial services provider Cholamandalam Investment and Finance Company (CIFCL) in the year 2010. Management gurus would tell you that 44 is a really young age to take charge of a company, let alone steer it out of the choppy waters CIFCL was in.

CIFCL had gone through a period of losses before Subbiah took over, after it closed down the personal loans business in 2008, one that it had started in 2006. As a new leader, he says, his first job was to restore stability and growth aspirations across the enterprise. "One whole piece of what we focused on was strengthening the core," says Subbiah of his strategy.

Subbiah, part of the fourth generation of Chennai-based Murugappa Group, first contemporized the way things were

done—something he says was propelled by his previous experience with global consulting firm McKinsey, and Company.

To propel CIFCL out of losses, he focused on optimizing the product portfolio mix to increase yield and decrease operating expense ratios. For him, technology and technology-led innovation was and is the simplest, most effective answer to inefficiencies.

Connecting the workforce internally with technology is something Subbiah considered crucial to success, and a significant investment was made towards this under his charge.

Leading this change was the introduction of mobile phone applications in late 2011 for field sales and collection executives to enable them to service customers more effectively.

The measure was initially piloted at four branches, which were operating at an efficiency of six loans per executive, per month. In the pilot, productivity increased 50 percent to nine loans. The exercise has now spread to all 500 branches.

Subbiah also strengthened his existing growth drivers—vehicle financing and home equity businesses were growth drivers to the company, we are told.

Rohit Phadke, Senior Vice President and Business Head for Home Loans, Home Equity and Corporate Finance, says that the home equity business has grown 25-40 percent year-on-year since Subbiah came in as compared to a growth rate of 20 percent earlier. The 2,300-strong company posted gross income of ₹2,555 crore for FY12-13, up 43 percent from the previous fiscal.

The new MD also wove an intricate people development policy into the Cholamandalam growth plan and looked to instill self-belief in employees. "You have to express to your employees why you believe in them. Our role lies in supporting field staff in their job func-

tion—we listen to them and deliver what they want. This way their self-belief goes up. There can be no short cuts in how you do this," affirms Subbiah.

A pertinent reason why organizations don't perform, he notes, is because of mistrust that leaves a sense of self-doubt in individuals around their own

capabilities. So a Learning and Development academy has been set up to cater to the personal and professional development needs of both on-roll and off-roll employees.

In line with this, Cholamandalam also launched an integrated program in colleges across India, where students will be trained in college as part of their curriculum to be employed once they graduate thus adding fresh

blood into the system year on year.

Phadke says Subbiah's stewardship has inculcated a culture of self-belief and entrepreneurship. "He believes it is okay to try and fail, but it's not okay to not try," says Phadke, who describes Subbiah as friendly, open and notorious for provoking his employees to think.

Subbiah himself has spent a chunk of his energies in seeding new businesses. Home loans for self-employed, a whole new market segment, is one of the three new verticals currently being piloted. This, like the other two—rural financing and SME financing—are being nurtured with an ultimate aim of creating synergies with group businesses.

—Shonali Advani

YOU HAVE TO EXPRESS TO YOUR EMPLOYEES WHY YOU BELIEVE IN THEM. OUR ROLE LIES IN SUPPORTING FIELD STAFF IN THEIR JOB FUNCTION

Entrepreneur  
**TOP**  
**50**  
**CEOs**