

RAJESH RELAN**MD, METLIFE INDIA
INSURANCE COMPANY****Date of birth:** 17 September 1966**Education:** Motilal Nehru School of Sports, Haryana, 1984; BCom (Hons), Kirori Mal College, Delhi University, 1984-1987; Masters in Management Studies, NMIMS, Mumbai, 1987-1989; Group Leadership Program, Wharton School, University of Pennsylvania, 2004-2005; Strategy in action, Harvard Business School, 2008-2009**Career:** Paper Products Ltd, 1989-1990; head, retail resources, Ceat Financial Services, 1990-1999; Old Mutual Inc India, 1999-2000; director, bancassurance and partnerships, Aviva Life, 2000-2006; MD, MetLife Life Insurance Co, 2006-till date

SUDIPTA BANERJEE

It's all about the team

"The mother of all deals goes to the father of bancassurance in India," this text message to Rajesh Relan, 44, from a friend almost summed up his decade-long achievement in the insurance sector.

Punjab National Bank (PNB) had just selected MetLife India Insurance Company to be its insurance partner. After a seven month-long rigorous process MetLife edged out 10 others to partner India's second largest state-run bank. PNB will add its 5,300 branches to MetLife's effort to sell more life, savings, pension and health insurance plans under the brand name PNB MetLife India Ltd. MetLife sells from 600 outlets at present.

After regulatory approvals PNB will own 30 per cent in MetLife India as part of its second innings in the life insurance sector, while one of the biggest insurers in the US will retain its 26 per cent stake.

For Relan, this is the biggest bancassurance deal he has managed so far. Since joining the insurance industry in 1999 and currently in his third life

insurance company, Relan notched up 44 bancassurance deals, a record of sorts for India. Under bancassurance, a bank can sell life insurance and other products to its customers, in addition to the regular channels.

Structuring distribution deals comes easier to Relan, who did his masters in management in 1989 from NMIMS, Mumbai, after completing his graduation in commerce from Kirori Mal College, Delhi.

After a 15-month stint as a management trainee selling flexible packaging material at Paper Products Ltd until September 1990, it was time to move on to financial services – then an industry with the brightest future and the maximum to offer in terms of growth, career and emoluments.

He got a break in Ceat Financial Services, a multi-product financial services company in the 1990s as stocks boomed and the number of investors and borrowers grew exponentially following India's economic liberalisation from 1991. Relan sold financial products such as IPOs, bonds, fixed

deposits, among others, through a network of brokers to the retail customers and last worked as head for retail resources.

Still, the opportunity Relan set his sights on was insurance after a report by former RBI governor, R.N. Malhotra spelled out the roadmap for its growth in India. "I spotted the opportunity early," says Relan. "The Malhotra, committee gave me the idea that insurance was poised to break into the financial sector and offer tremendous opportunities."

Rather than wait for the market to open up and for companies to begin hiring, Relan took a flight to London to pitch himself to a few insurance giants and bagged the opportunity to be the first Indian employee of Old Mutual and get insurance exposure in the UK and South Africa. Between April 1999 and August 2000, as part of a three member team he prepared the groundwork for Old Mutual to seek entry into India insurance.

In September 2000, he accepted an offer from Aviva Life Insurance to

become one of its first five employees in India. As the associate director for bancassurance and business partnerships, he had to create a network of bank and non-bank partners and agents for the company to distribute its products across the country. Meanwhile, Old Mutual and the Kotak group forged a partnership to start a venture in 2001.

Adding partners is not the only feather in Relan's cap. After joining MetLife at the age of 39 in June 2006, he started with a focus on transforming the organisation through better distribution for profitability. "Turning MetLife around and making it a formidable insurance company was a great challenge," he says. "When we got into the company it was like getting into a black Cadillac but we soon realised that we had to also change its wheels while it was in motion."

Here, his initial years at the sports school came in handy. He moved to Bangalore and started working with the existing and new members of his team who played a key role in redefining the strategy and implementing a new IT system to migrate half a million policies to a new automated system making customer response systems quicker and also brought in financial advisors and bancas-

surance partners on a par for giving information to the policyholders.

"Sports taught me that it is all about the team and not just about the individual," he says. "All team members may not have the same skills and confidence but they bring in different kinds of experience and specialisation. While some need to be pulled up, some need to be trained to become effective team members."

Even today, he and his team of top managers visit every single branch twice a year to get feedback critical for improving the products and services. He implemented his training by refocusing on profitability by adding proven hands from the industry and re-working his Aviva magic to rope in more bancassurance partners at MetLife India by adding Axis Bank and Barclays.

He has increased the number of financial advisors (agents) since then to 30,000 from 3,000 in five years and grown the number of branches to 271 from 40, while reducing the company's expense ratio – percentage of administrative expense to premium – to 23 per cent from 88 per cent and posting its maiden profit of ₹35 crore in the year to March 2011.

"In October 2006 we got Axis Bank as a partner. It became the third largest bancassurance partnership in six

months and the rub-off effect also helped other partners to do well. We increased the business volumes from J&K Bank and Karnataka Bank over 10 times in the past five years."

With the investment made in the initial five years as a launching pad, Relan's team managed to post a business of ₹340 crore in 2006-07, which was more than the new business the company achieved in all of the preceding five financial years. While distribution and partnerships gave him the highs, it was the demise of one of the partnerships that gave him the biggest setback and a big lesson. Axis Bank, the biggest bancassurance partner for MetLife, contributing about one-third of its new business premiums, decided to part ways in 2010. Axis Bank has since tied up with Max New York Life.

"It was a crucial lesson not to depend so much on one large partner," says Relan. "We slipped back to the 13th rank among the 23 insurance companies from the eighth position."

The marriage with PNB could help the venture catapult to among the leading life insurance companies over the next three to five years. MetLife may dip into its pool of resources from 60 countries as the Indian economy promises to buck the global slowdown.

♦ SUMIT SHARMA

FRONT RUNNERS

EXPERT ON LINE



Sunil Kamerkar is the co-founder of ARMM Knowledge Forum and CEO of **Survik Software Ltd**, based in Pune. With an expertise in data analytics and its applications for solving business problems, Kamerkar guides organisations on best practices for asset reliability and maintenance management. Over the past 20 years, he has been advising companies on their business intelligence and reporting strategies.

"The Indian industries are currently losing thousands of crore of rupees due to C-level leadership not realising the importance of plant reliability, maintenance and safety. About 70 per cent of the companies in India do not have or do not use a computerised maintenance management system (CMMS) to manage their enterprise's physical assets."

THOROUGH PROFESSIONAL

An accomplished electronics engineer from St Xavier's Institute and College of Engineering, **Parminder Panesar**, 37, is one of the few industry professionals in the BFSI segment who has had an all-round exposure to all facets of marketing and brand building. With over 12 years of experience, Panesar is now senior vice-president, corporate communications & marketing, **IDFC Ltd**, an infrastructure development

firm, responsible for group level marketing and communication responsibilities. Starting off as an associate in Birla Global Finance Ltd (BGFL), "I have been one of the early few who, having realised the potential of the Internet. I also imbibed the corporate ethos of BGFL, by hosting their Website."

