Abstract

Planning and groundwork are vivacious features for an activity to be successful and reinvent, is no exception. Re-invent is a vital aspect to bring radical changes in business process with regard to elements of cost quality service and speed. In order to cope with the business environment, the companies had to undergo an organisational change methodology such as Business Process Reengineering (BPR) which concludes reinventing, rethinking, redesigning, redirecting and rebuilding. In this background, the research paper explorations to control and study the Insurance sector in India using SWOC analysis. LIC a life insurance service provider commands a dominant position with 76.4% for the FY 2016-17 of market share unveiling its strength among all private insurance players and hence using case study method the paper emphasises on studying BPR and its impact on insurance sector with particular reference to LIC.

Entry of new players, Indian and Global pose threat for sustainability and widening prospects for rethinking strategies to augment growth and overcoming increased competition. BPR focuses on procedures and not on tasks, Jobs or people and therefore Reinventing is Key to success where insurance sector does not believe in small improvements rather aims are total reinvention.

Key words: SWOC, Factors, BPR, Improvement, Growth

BPR In Insurance Sector – A Swoc Analysis

I. Introduction

Insurance, a fundamental part of the financial sector, plays a substantial role in India's economy. In order to provide security for individuals the insurance sector encourages savings and facilitates long term funds for infrastructural development which is necessary to support continuous economic revolution. Private participation in insurance sector was initiated through Insurance Regulatory and Development Authority Act, 1999 rising at 15-20% rate. The services of banking and insurance sector contributes 7% towards country’s GDP. A well-built and progressed insurance sector provides a platform for economic expansion with long-term funds for infrastructure progress by firming the risk-taking ability of the country.
1. Growth Of Insurance Sector

Indian Insurance industry has spearheaded over the years with 53 insurance companies where 24 companies deals with life insurance products and 29 non-life insurance products. Life Insurance Corporation (LIC) a public-sector company where 5 private sector insurers are registered to endorse policies wholly in travel insurance segments personal accident and Health.

Government Initiatives

- Launching of National Health Protection Scheme under Ayushman Bharat to cover more than 100 million families.
- Pradhan Mantri Fasal Bima Yojana (PMFBY) to facilitate 47.9 million famers
- Insurance Regulatory and Development Authority of India (IRDAI) guidelines for insurance companies works via IPO route
- Bonds issued by the banks to supplement Tier 1 capital to increase investors base facilitated by IRDA upto 10% to insurers
- Enactment of digital India initiative has made people in rural areas tech savvy to invest in policies online

2. Business Process Reengineering

- Business Process (BPR) allows changes in the present guidelines to attain maximum operational efficiency and internal controls. Prolifications in banking industrial products is become the need of the hour. The purpose is to bring in tune with automation and the ‘best practices’. The process is a regular screening which involves modifications in order to excel in serving the stakeholders.
- BPR brings improvement in the business performance through restructuring and redesigning the business procedures.
- It helps in tactical scrutiny of business procedures for better implementation of business developments which involves multidisciplinary approach.

3. BPR In Insurance Sector

The growth of insurance industry witnessed many modernizations and improvements to face the competition. Many insurance companies are strengthening business competitive power by increasing work efficiency and productivities. The Business Process converged in insurance industry brings organizational change for which new approach and management techniques becomes important. The implementation of initiatives under the purview of BPR and Core Banking Solution (CBS) brought changes in the working of insurance companies which provided competitive edge. With the advent of sophisticated technology used in business and insurance sector the information security system increased to provide appropriate support for success. Therefore, change management being emphasized the restructuring of insurance process is vital for improving its performance in services to enhance profitability.

II. Objectives Of Study

The alarming rise in India’s insurable population in 2020 is expected to be 750 million with life expectancy reaching 74 years projecting 35 per cent of total savings. With IRDA coming into force the regulatory framework of Life insurance industry brings changes in its conducts of its business. In this regard the research study is undertaken to analyse the impact of BPR in insurance sector.

- Study BPR in Insurance sector
- Analyse the SWOC analysis of BPR at LIC
III. Review Of Literature

Hammer and Champy (1993), opines that Business Process methods is restructuring and reorganizing in order to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed.

Dr. P.K. Gupta (2000), opines that rural markets for private Life insurance companies unveiled poor penetration of rural life insurance markets.

Alok Mittal and Akash Kumar (2003), Views that the factors affecting the selection of Life Insurance Products have endeavoured to identify the issues affecting the consumers in selecting choosing a life insurance product.

Sinha and Tapen (2005), expressed that India started to open the domestic insurance market to private-sector and foreign companies.


Manjit Singh and Rohit Kumar (2008), views that Indian Insurance penetration has perceived upward trend in restructuring.

Nagaraja Rao, K. (2010), evaluates the encounters confronted by the insurers in bringing out the need-based products for inclusive growth.

Upadhyaya and Badlani (2011), attempts to detect the key success factors with respect to customer satisfaction with intense competition in order to enhance market share.

Sumathi Kumaraswamy (2012), opined that Customer satisfaction an important strategy for banks in insurance selling.

Yogesh Jain (2013), expressed that life insurance scenario in India should streamline grievance redressal mechanism for efficient service in present market competition.

Savita Jindal (2014), investigated in her study that ethics in Insurance Companies becomes vital in settlement of claims where the Indian insurance companies failed to identify the needs of customers by Distorting the terms and conditions while selling products to customers.

IV. Methodology

The methodology adopted to study the research objectives is extracted from secondary sources, reports, various journals, magazines and websites. Descriptive study approach is being used to study SWOC analysis of BPR at Life Insurance Corporation.

V. "SWOC Analysis – A Case Study On Life Insurance Corporation Of India (LIC)"

Prelude

SWOC Analysis is used to measure and regulate business functions to categorize the external opportunities and challenges to market policies. “Hammer and Champy suggested seven reengineering principles to reorganize the business methods in terms of quality, time, speed and profitability. Liberalization and globalization seen rapid change in financial services sector as insurance segment is
most prominent in India for sustainability in Indian economy. In this context, the implementation of Business process restructuring is growing enormously at global and domestic insurance Sector for trends of big data and social network. Private players in insurance sector came into force in 90’s which was still dominated by LIC sector where the insurance sector comprised two state insurers: Life Insurers (Life insurance corporation of India, LIC) and General Insurers (General Insurance Corporation of India, GIC).

LIC an insurance provider contributed significantly towards growth thereby occupying an prominent position of market share in the industry. Since there is a paradigm shift in insurance sector, the service industry is constantly changing in the sight of organisational competitiveness and performance to cope with varying business atmosphere. The need of the hour for LIC is, to adopt the technique of BPR and improve operational efficiency and procedures at an increased pace. In this regard LIC opted WAN connecting all branches enabling the customers to choose from various options available for premium payment. Introduction of IVRS facilitated customers to resolve queries on their polices. Restructuring service processes by LIC in clearing outstanding claims, witnessed efficiency by utilising less time in sending a message to customer. In this regard the present research paper examines the Strength, Weakness, Opportunities and Challenges in depth.

Strengths Of LIC
- Holding maximum market share in the Indian insurance market around 64%
- Monetary steadiness and suitable business atmosphere
- Implementation of Product range and Policy devices made available for all sections of the society
- Collaboration with multiple banks for online premium collection facility in selected cities.
- Earned Brand image in the market over the years.
- Continual efforts in rural areas were undertaken to spread the brand image resulting in stable progress of new business.
- Emphasis made to clear the pending cases
- Corporate accountability and transparency, an essential part of LIC.
- Sustained healthy environment through Brand equity by strengthening stake shareholders
- Customer’s service being a focus element contributed towards optimum growth in business

Weakness Of LIC
- Lacks expertise-Employees working in the organization are not expert in the latest technology and trends.
- Respondents believe that the organisation is not having the quality products in comparison to the other competitive Companies.
- Undifferentiated products and services.
- Lack of creativity and initiative-Employers lack creativity and do not take initiative in the companies working.
- The entry of big players in the market resulted in increased competition.

Opportunities Of LIC
- Globalisation in insurance sector - After Globalisation many big insurance players entered the market resulting in increased market zone for insurance players
- Globalisation improves the productivity and increases competition in the market-LIC has to upgrade its products and use latest technology for upgrading its employees
- Liberalisation - Relaxation in the Government restrictions help the Company in increasing its market presence
- Scope for upcoming market linked plans
Today’s customers choose products and plans offered by the insurance sector not only as saving mode but an investment tool. Technology advancement- The respondents believe that advancement in the technology plays an important role in upgrading the company.

Challenges Of LIC
- Severe Cut throat competition from private players on different insurance schemes
- Economic downturn impacts the purchasing power of individual for buying policies.
- Higher taxes levied affects the policy holders.
- Influence of Government will affect insurance sector in bringing new policies and schemes.

VI. Conclusion
A gamut of investment avenues drives Indian economy towards profitable growth and occupies 19th position in comparison with competitors. In this context IRDA the regulatory authority formulates the norms to strengthen the insurance industry through systematic monitoring thereby empowering customers. From the present research paper, the study undertaken to analyse the “Strengths, Weakness, Opportunities and Challenges of LIC” discovered that technology becomes vital for reengineering in near future where insurance sector can combat competition between Indian and Global service providers by simplifying the process at moderate cost. Therefore, Execution of business processing methods becomes significant to bring drastic changes in insurance sector where the global players occupy the market position in which the Indian insurance sector will have to face violent competition. In order to keep pace with market requirements and attain success, Indian insurance sector needs to focus on the customer satisfaction, paradigm shift in business process design and leadership for enduring sustainability which is a prerequisite for all businesses.

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