Sakthi Finance Limited:  
A vision for growth
Client profile

Sakthi Finance Limited (Sakthi) is a non-banking finance company with operations in the four states of South India. It offers refinance to vehicle operators for commercial vehicles and construction equipment. Its widespread customer base of primarily small and medium fleet vehicle operators is serviced through a network of approximately 150 customer service points and 50 branch offices.

Opportunity

Sakthi’s vision is to grow into a full-service provider, offering products and value added services to its customers to help them become more profitable in their own business endeavors. The company wants to achieve an almost ten-fold increase in its asset base, to reach Rs. 5000 crores (US $757 million) by 2025, with a corresponding improvement in profitability.

Sakthi recognized that to achieve its growth and profitability ambitions, it would need to rapidly increase its sales force productivity in its current market segments while also seeking profitable new product and market segments for growth. To this end, it collaborated with Accenture Strategy on a micro-market-led sales growth program to develop an appropriate customer strategy and embed it in the company’s operations.

Solution

For nine months, the Accenture Advanced Customer Strategy team collaborated closely with a cross-functional team from Sakthi to help develop its sales strategy and operationalize it across the company’s sales organization and head office functions. Once business value and performance improvement opportunities have been identified, the focus turned to developing those opportunities to deliver a differentiated customer experience. The steps taken involved:

1. Analyzing both market and internal customer data to identify and profile profitable customer segments (defined as micro-markets) for each pilot geography, detailing the customer’s requirements of each micro-market. A strategy was developed to help enhance sales productivity in these segments by clearly focusing on the most profitable customer segments. The front line sales force was trained to identify and engage with these profitable customer segments through the use of practical job aids.

2. Identifying ‘white spaces’ i.e. untapped profitable vehicle category segments for Sakthi in each of the pilot geographies.

3. Assist in redesigning the core strategy of customer acquisition and retention to enable a superior customer experience from credit appraisal to collections.

4. Assist in redesigning the field force market visit planning and market operations process including:

- Optimizing customer interactions per day for qualified customers, enabling marketing officers to focus on high probability and profitability deals.
- Job aids such as journey plans, daily market reports, daily branch review templates, and weekly branch review meeting checklists.
- Development of weekly branch management information systems to enable improved visibility of branch health at a branch manager and head office level.
5. Proposal turnaround time was reduced from 26 days to 10 days.

6. Reporting structures and job scopes were redesigned to help enable role clarity and greater productivity.

7. Aligning individual performance to organization priorities by introducing personal performance scorecards and incentive structures.

8. Developing a technology road map. This included sales force mobility solutions to help the sales force take real time decisions while meeting customers.

Results

Sakthi, through its collaboration with Accenture Strategy, has created a firm foundation from which it could achieve its vision for growth. Furthermore, its new customer strategy is supported by the development of its people, processes and technology.

Sakthi has realized the following benefits:

- A significantly strengthened sales pipeline, with 26,000 qualified customers added to its database, and a three-fold improvement in daily customer contact points across the branches.

- An improvement of over 25 percent in completion of loan application documents across all branches.

- A year-on-year increase of incoming business by 60 percent in pilot branches.

- A reduction in turnaround time for loan proposals by 60 percent (from 26 days to 10 days).

- An improvement in sales productivity of 70 percent for key branches.

Sakthi’s Managing Director, Balasubramaniam Mahalingam, acknowledged that Accenture Strategy has added significant business value that will help the organization transform into an agile player in the commercial vehicle refinance segment.

“The micro-market-led sales growth strategy initiative has delivered on-ground sales increase, higher customer satisfaction and improved loan recoverability by translating a well-designed customer strategy into practical tools that our sales force and central functions have deployed with ease. The new go-to-market approach will help us differentiate ourselves in the industry and serve our customers profitably. We now have a clear growth road map that is understood by the whole organization to help achieve our vision 2025.”

Balasubramaniam Mahalingam,
Managing Director, Sakthi Finance Limited
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