

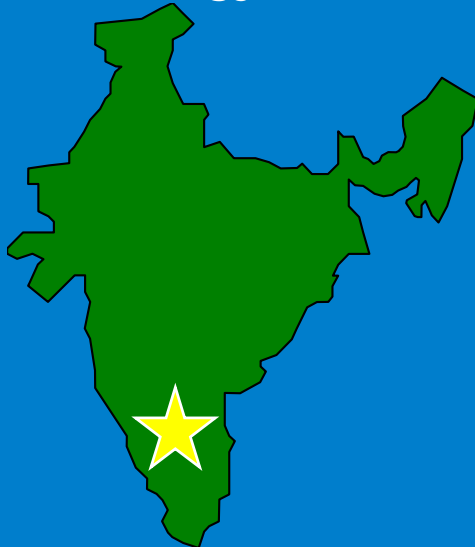
Working In India

ANZ's Lessons of Experience

Dr Richard Tait
Head of Customer Technologies
ANZ Banking Group Ltd.

Let's get up to speed...

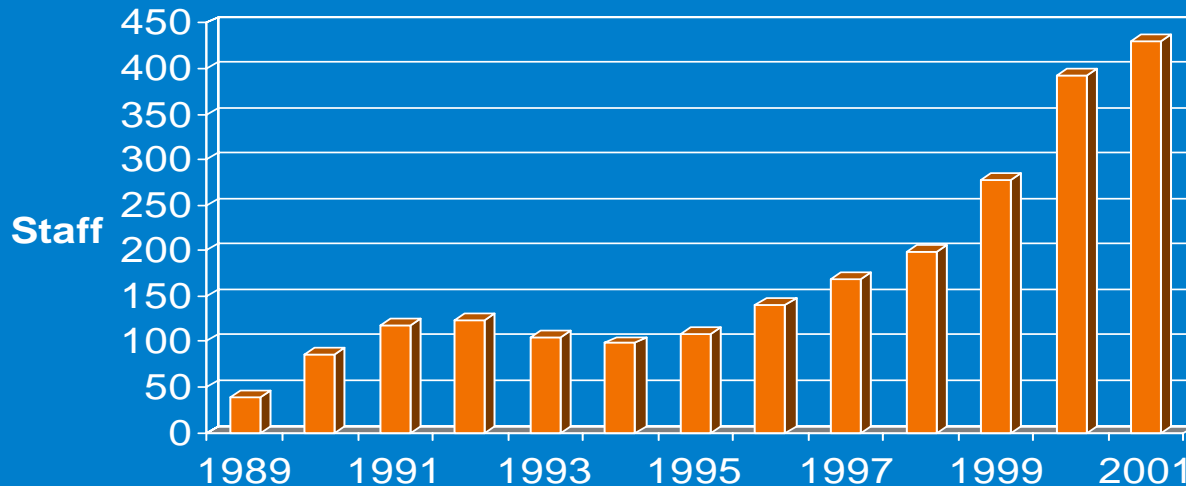
- In 1989, ANZ created a small software company in Bangalore India – Index Technology
- This is independent of the ANZ Grindlay's Bank in India, which ANZ sold in 2000
- Since 1998 this company, now ANZ Information Technology Pvt Ltd, has been a key enabler of ANZ's "eTransformation" strategy



- The Indian technology market has provided ANZ with abundant, highly skilled staff and allowed us to drive innovation and renewal
- ANZIT is a tightly integrated part of the ANZ, but is now starting to branch out into external commercial ventures

The growth story of ANZIT

- ANZIT initially proved difficult to use, with a successful operating model not merging until 1999
- Once this was established, growth has been rapid and sustained
- This operational model has included Quality Processes; ANZIT will be certified to the Software Engineering Institute Level 3 standard in Dec. 2001



What has this meant for ANZ?

Skills

- ANZ's drive to "eTransform" our customer interactions and internal processes have been enabled by access to skills in India

Cost

- ANZ Information Technology in India has tax free status. Together with lower labour costs, this provides ANZ with savings of \$30m pa

Opportunities

- ANZ Information Technology in India is now offering services outside ANZ. The capabilities developed for internal use are being offered to create new revenue opportunities

Lesson 1

Infrastructure – get over it

- India does suffer from unreliable infrastructure – power and telecommunications are prone to failure, minor floods are common
- However, critical operations run very well - ANZ operates AS-400 and Unix systems in India, as well as previously operating Grindlays Bank with 44 branches across the country
- In addition, ANZ now assumes the same processes in India as Australia, little or no provision is made for differences in reliability of the operations
- With appropriate planning and contingency measures, you can operate just as reliably in India as in Australia

Lesson 2

Work closely with government

- ANZ has enjoyed tax-free status under two government schemes to promote software exports:
 - **Export Oriented Unit (EOU)**
 - **Software Technology Park**
- Both of these have provided 10 year tax “holidays”, including equipment free of customs duty while on bonded premises
- After some early difficulties, we have found the Indian Government to be supportive and reasonably flexible
- We take considerable efforts to ensure good relations with government; in particular we work with industry lobby groups in India to provide input in relevant areas

Lesson 3

Discipline pays

- Working across geography, time zones and cultures is difficult
- Even with good English-language skills, communications requires continual focus
- The Australian culture is somewhat informal (“she’ll be right!”), which also creates communications issues
- Indian software engineers are very compliant and will tend to provide whatever you ask for, whether you want it or not
- The introduction of formal quality processes in Australia and India was key to making ANZIT successful
- These processes are just as important in Australia as in India

Lesson 4

Be aware of cultural issues

- Don't try to force an Australian model on India, go with the cultural flow
- Some key differences include the importance of:
 - **Rank, level and status**
 - **The role of family**
 - **Self-development and advancement, including working off-shore**
- These differences can lead to misunderstandings and consequently problems
- Management processes must recognise this and allow autonomy in key areas in India

Lesson 5

Apply high standards, expect high standards

- The common impression of India's technology industry is of high talent, but poor amenities
- We apply the same standard to staff accommodation, work conditions and training as for Australian staff
- Our staff reward us with low attrition, singular dedication and fast skills development
- The standards required of India are just as high as those for Australia – the operating model is unforgiving of defects at either end
- Today, the quality delivered from India for ANZ is world-class

Lesson 6

It's worth the effort

- Using a dedicated subsidiary company to deliver outcomes for Australia is hard
- Much needs to be learnt, and once learnt, must be formalised into process which endures beyond individuals
- Success requires substantial changes in Australian management practices
- The rewards are substantial, removing constraints which many Australian companies suffer from, as well as providing new opportunities