**Interview #1:**

Sandeep Interviewed Senior Manager, IT from Risk Management Department

**Length of interview:** 1 Hour

1. As a part of our academic project, we would like to analyze and hopefully provide a solution for a business problem the bank is facing. So, could you please help us understand three major challenges faced by the bank.

**Response:**

* One of the problems we are facing currently is that we are not able to use the reports generated by MIS in our CBS application. The application was designed to pull out some reports to meet the RBI regulations. But that is not working as intended and we are wasting a lot of man hours to do the report consolidation manually.
* We are a service oriented bank and not profit driven. So, we would not be having the budget or flexibility to work and implement on some new technologies. As a result, our IT team is very small when compared to the IT issues we are facing with the applications we have implemented.
* RBI frequently changes the regulations, which we are not able to explain and communicate with the users of these application who are performing the MIS operations. This application is not smart and not the end users of this application (clerks) are not functionally strong before selecting an option to classify the loan.

1. As per our understanding, looks like the major challenge is with the report consolidation. Can you give us more insights on that issue?

**Response:**

The major challenge in the back currently is with the use of the data. Even though CBS had been implanted some time back, we are not able to leverage the existing data for generating reports at various levels. With respect to risk management department, I would need to prepare sector wise and industry wise advances report for the bank. As per the latest rules set by RBI, the MIS has many levels and with the reports from the application, we are wasting a lot of time to appropriately classify the loans.

1. During your previous discussion we heard about MIS classification. What is MIS classification, why do need MIS classification?

**Response:**

The reserve bank of India will be releasing some circulars for all the banks operating in India. These circulars will contain some information about the mandatory compliance which must be followed and complied by every bank. Here the RBI is the regulatory authority, which defines the governance of all the bank for risk management.

As a result, we have one circular from RBI which asks us to document all the details of the loans being sanctioned by the banks. The RBI is advising the banks to collect this data, hence we have incorporated this feature in our CBS as MIS classification. All this data can be fetched from the MIS only. So, we need MIS classification as it services the purpose of reporting for RBI.

You can view a sample of the report which we ideally need to generate for RBI from your MIS. You can see the link here - <http://rbidocs.rbi.org.in/rdocs/content/docs/PR299SD31072017.xlsx>

All these data points are classified in the MIS solution of the CBS. If the data under this solution is not maintained as accurately, then we will not be able to generate this report.

***This classification (data points in column B) in this report are not direct points from the MIS screen but the figures can be derived from the MIS application. Do not get confused that the field values (column A and B) replicate the flow for classification MIS levels.***

***For example, in sheet 1, row 15 we can see services loan and different items which can be classified as service type of loan. Here the value at column A is the sum of balances of (3.1 – 3.9). This does not indicate that service is a value at any level in MIS and the corresponding values (3.1 – 3.9) are not MIS sub classification (sub levels of MIS after the level of service) for service. So, it is not like service is at level 3 of MIS and 3.1, 3.2 etc. are level 4 of MIS under service.***

1. What is the alternative for MIS, as you are not able to use it currently?

**Response:**

Alternatively, we are still relying upon the data prepared by branches periodically and consolidating all the branches data for preparing the sector wise and Industry wise report. With regards to reports, the purpose of implementing MIS is to generate daily, weekly, biweekly, monthly, quarterly, half yearly and annual reports. Previously, it was all manual and it was very difficult to generate the reports on frequent basis. Unfortunately, now also we must switch to the manual process, consuming a lot of man hours.

1. Why is the MIS not working as expected?

**Response:**

Initially, when the core banking solutions was implemented and we were using MIS to generate reports, it worked fine. The levels of classification and fields were much lower than what we have today. We have outsourced this project to our vendor and they have given it back to us. At this point, the levels were less and the application need not had any validation as there was not much of a confusion. However, upon implementation, the RBI has given us further guidelines constantly to increase the levels of classification and ensure more granular details of the loan are captured.

As a result, we had to increase the levels of the MIS in our solution and values in each level over a period. Our internal IT team had created these new MIS levels in the application and made some changes to the database as per the requirements they received from the functional users. Based on the latest requirements, our IT team did make sure to include all the levels in the MIS. However, over a period of time, we have reached a place where are too many option being displayed for classifying the loans. The users are getting confused and doing a misclassification as the application allows to complete the process irrespective of what we select and the clerks want to just complete the work.

At this point, we did reach out to our vendor for inclusion of application validation and enforce some security between the screens based on the values selected. (example – we cannot go to level 3 if we have misclassified level2). We also noticed that we built the database continues as per the requirements, in this process we included a lot of redundant values in the tables which will be popping up in the application screens.

We reached out to our vendor to fix this, however, the vendor quoted very high price and we only must rely on our internal IT team to fix this, but looks like they are going to need more time than we would want them to. Also, at this point our IT team cannot make any changes to the application as it must be done following the change management procedure by raising a change request to our vendor. For achieving this price quoted by the vendor is not feasible.

This is where we have the misclassification and as a result we are not able to use MIS as it is not accurate. We got to know these details after investigating the route cause when it was pointed out by our internal audit team.

1. What do you think are the challenges faced by the IT team to make this work?

**Response:**

There was some miscommunication between the IT team and the actual users of the application. The IT team assumed that the users will be able to classify the loans appropriately irrespective of how many levels we have. But at the root level, looks like most of the classification was done by the clerks at the bank and they were not doing it correctly. However, an application must meet the business requirements and IT team had to incorporate some advance features to make it work properly. Previously, the number of levels of classification was less, hence the application entry was not much challenging, here even if the application was not smart by itself, it did not cause us much trouble. But with the increase in the levels, the application had to be smart enough to give a proper understanding of the classification.

1. Can you please help us understand the structure of the application and the database though a virtual video call?

**Response:**

You can talk to any of our IT team members and they will help you out.

**What I Learnt from this interview:**

I learnt from this interview that:

* Functional users are unable to utilize the reports generated from CBS application
* Purpose of MIS Classification with respect to report generations
* Reason for preparing the reports manually even though there is data available for utilization.

**Interview #2:**

Ramdas Interviewed IT Expert, Information Technology Department

**Length of interview:** 0.5 Hour

1. Since how many days you have been associated with the bank and since how can many days you have been working as an IT expert?

**Response:**

I have been working with the banksince last 8 years, I have been a part of the MIS categorization from an IT perspective from its scratch. I have been in the application development and maintenance sector since the past 15 years before joining here. I was hired to this bank so that I can guide and constantly monitor the project for building this MIS application when we have outsourced it.

1. We heard from the IT senior manager that, the application is now facing some issues and we are not using it? What are your thoughts on this.

**Response:**

Yes, it’s unfortunate but we are now in a situation where we need to make some changes at the IT level or we need to improve our employee’s competency on functional aspect. Let’s talk about IT. Here, the scope of the application has increased drastically, the application which was built before is now not smart enough to meet the business purposes. At this point of time, we are not able to make any changes for fixing it.

1. Can you please discuss, why we are not able to make any changes?

**Response:**

Sure, the point here is, we have outsourced this application completely to the vendor. We are in an agreement with the vendor that any changes made to the application must go through the vendor via a change management request and the changes must be performed by the vendor. The internal bank IT team does not have access to source code of the application also. As per our SLA with the vendor, we can have their support in terms of application maintenance, but not to change the characteristics of the application/ fixing the problem or any developmental activities. For instance, IT budgeting which includes several aspects like hardware procurement, annual maintenance, license renewals, change requests etc. happens once a year and the sanctions are based on the revenue generated by the organization. Any subsequent change request surpassing the sanctioned IT Budget will not be approved by the board of directors. The costs quoted by vendor is so high that it is exceeding the sanctioned IT Budget due to which we are not able to make any changes in CBS.

1. What developmental activities you are looking for?

**Response:**

In the first step, the user (clerk) enters the account number. The account number has a product key which redirects the application screen to classify the first level of MIS. From here, ideally, we can restrict the fields in the application based on the product key as a product key will have a specific set of MIS levels which are present in the application. We can do some code changes to fix this, but like I said before it must go through the vendor. So, we are stuck here.

1. We understood that MIS classifications are populated at five levels in MIS capturing screen. Can you please confirm us whether these drop-down populations are driven by application or database?

**Response:**

Yes, you are right that MIS classifications are populated at five levels in MIS capturing screen. The data has been driven from database tables at backend and not from application level. These database tables are being maintained and managed by our DBAs in IT team.

1. Can you please help us understand the design of your database structure?

**Response:**

You can talk to data base expert to understand the design.

**What I learnt from this Interview:**

I learnt from this interview that Information Technology Team has already taken up with vendor about the challenges with respect to MIS Classification and due to budget limitations, they could not move ahead with application validations.

**Interview #3:**

Saketh Interviewed database administrator, Information Technology Department

**Length of interview:** 1.5 Hour

1. Since how many days you have been associated with the bank and from how many days you have been working in the data base field?

**Response:**

I have been working with the bank since the last 6 years with the IT team focusing on the database part of the work. In total, I have around 14 years of experience with the database management and expertise in MySQL, Oracle, MSSQL and PLSQL.

1. We heard from the IT senior manager that and IT senior experts that the application is now facing some issues and we are not using it? What are your thoughts on this.

**Response:**

Ya, I heard this problem with the bank, but my daily operations do not deal with this aspect. I’m more focused on database maintenance activities such as capacity planning, cloning, patch management, security, user provisioning and performance monitoring etc.

1. We heard from IT expert that data in MIS levels is populated from some DB tables which are managed by your team. Can you please let us know the frequency of adding / modifying records in those tables?

**Response:**

Whenever there is a request raised from functional department such as addition/modification of MIS classifications, we make appropriate changes to the backend. It’s on-demand activity we perform with the valid approval from head of the department.

1. For the MIS classification screen in the application, what are the different tables that are associated in the back end?

**Response:**

We have three tables for pulling the data into application and we have table which stores the data entered in the application. There is an interlink between the three tables and the output from these tables are displayed in the application for the classification propose in the MIS screen. We have created some MIS codes at different levels with some parent child concept and built the tables.

1. Can you please help us understand the design, working and attributes of the database structure?

**Response:** Conducted a Webex session with user.

**Note:**

Upon request, the user shared and explained this information with us using a whiteboard feature in webex, this database design and functionality will be documented in the deliverable 4.

**What I learnt from this interview:**

I learnt from this interview about the database tables associated with MIS classification screen in the application. I have come to know that the requests related to addiction of MIS classifications were more frequent nowadays.

**Interview #4:**

Gaurav Interviewed a Clerk, End User of the Application

**Length of interview:** 0.5 Hour

1. For how many years you are working in the bank and what are your primary responsibilities?

**Response:**

I have been working with the bank since 6 years and primary responsibilities would include some data entry operations, opening of customer accounts, recording classifications of accounts, teller operations etc.

1. Are you familiar with the MIS classification screen? If so, till what capacity have you used it?

**Response:**

Yes, I am familiar with that screen. I use it on almost daily basis. We get application forms from the higher-level professionals and we are supposed to classify those loans appropriately.

1. What are the factors would you be considering before classifying the loans?

**Response:**

We are handed out some guides by the bank. This document will have all the details of MIS classifications. It is like a reference guide or runbook which we need to follow before we classify. We need to look at the application form and follow the guide to classify the loans appropriately.

1. So, if you are following the guide and classifying, why do you think there are misclassifications?

**Response:**

Well, this is a very big question for me to answer, but let me try. I have been working in the banking sector since last 12 years and noticed that the RBI changes the regulations and procedures more frequently then we want them to. The time taken by the functional leaders of every product to understand the new attributes, communicate those things with the local department leadership, high level staff and preparing the document will take some time. But the application will already have those changes as the IT team will implement it instantly.

But we will get the guides after a certain amount of time and it will take us some more time to sync in with the new guide. By the time we are adjusted with the guide, there is a new one which is released by the bank, almost every time. I feel this is the problem, we need to enter the forms in the application, as that is the last step to complete the loan disbursement process. Without doing this, the customer will not get the loan amount. As a result, there is a lot of pressure on us in terms of application forms to complete daily. So, many people are in a hurry to complete this and there are mistakes going on. I don’t know if this is the reason, but what I have said is correct.

**What I learnt from this interview:**

I learnt from this interview that the end user is receiving a runbook that helps them as reference guide in classifying the loan accounts. But, due to unavailability of receiving the updated runbook in time before the opening of accounts in the applications forced them to classify the accounts in the best possible ways. The user expressed the cause for misclassification of loan accounts.

**What we learnt from all the above interviews:**

We have chosen our users in a way such that we would want to analyze the root causes for the manual report consolidations even though the application is generating the data that is sufficient for deriving the reports centrally.

We have been informed by the functional user about the challenges in deriving the data points required by bank from currently available data. We were walked through on of the critical reports that bank is being submitting to regulator. We have come to know the importance of MIS classifications with respect to the development of regulatory reports.

We were informed by the IT expert that solution for the issue of MIS classification validations seemed to be not feasible to the organization and figuring out an alternative way of representing this issue with less expenses.

We were informed by the database administrator about the database tables that are associated with MIS classification screen and discussed about the relevance of the tables in populating the fields in application.

The end user of the application shared their experiences in MIS classifications of the loan accounts. We have come to know the processes followed by the end users in classifying the accounts in the branch.