

# [Case study on ing insurance](https://assignbuster.com/case-study-on-ing-insurance/)

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INDIVIDUAL ASSESSMENT ON ING INSURANCE ASIA/PACIFIC Module name – international management Module leader – Andrew Griffith Module code – BM6912 Student name – Manne PhaniDeepak Student num – 1716150 Word count – 3, 290 Contents 1. Introduction3 2. 1 ING global lines4 2. Background 4 3.

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10 HR management 12 7. Role of Information system 13 8. 11 pay for performance 13 8. Conclusion 14 9. References 15 1. Introduction ING is Dutch founded company.

ING is one of the largest financial providers among the world and top ten in the Europe. When compare to other insurance providers, ING offers a several of products lines in the insurance industry sector. It offers its insurance services throughout the world like in America, in Europe and some in Asian countries.

Later on ING also entered into wholesale banking and retail and all over the world. The ING services are available across the world more than 50 asset management services in the various countries. ING served a broad customer base, including individuals, families, small business, large scale industries, institutions and government etc,,.

They organized into three regional business lines including America, Europe and Asia/Pacific. The banking business of ING was divided into three parts as they concern they are, \* Wholesale \* Retail and Direct Banking 1. 1 ING global business lines:- Supervisory Board Executive Board ING Direct Retail Banking Wholesale Banking Insurance Asia/ Pacific Insurance Europe Insurance America 1. 2 Terms of Reference: 1. To make recommendations for the change for ING insurance Asia/Pacific.

To identify the strengths and weakness of ING and to fulfill those terms. To maximise opportunities for networking and information sharing about the customers. 2. This is an individual assessment. 3. It was provided by our Dublin Business School.

2. BACKGROUND

ING stands for International Nederlanden Group. The ING group is a financial services company of the Dutch origin, serves all over the world with an experience of 150 years; ING offers a wide range of banking, financial services and consulting sectors services all over the world in many countries. The headquarters of the ING group is located in Amsterdam which is situated in Netherland is a part of Europe. This insurance company was obtained by National Nederlanden in 1979; it results in a official increase in activities in the US.

Later on the activities of ING expanded in Asian considerably By the year of 2003 ING has covered about 60 million corporate, institutional and private clients in over 50 countries with a staff over of 115, 000 to satisfy people as in board customer including, small business, individuals, large corporations, families, institutions.

ING has it offices in major countries all over the world such as, Spain, Canada, France, Germany, UK, Austria, United States, Mexico, Italy, Australia and Malaysia.

The insurance company of ING in Canada, as of one the foremost financial groups in Canada. The customers of this group can accessible via internet, phone, and a person 24hours day night means 24/7 service. It has wide range of network through 2, 800 brokers or websites and call centers. The ING insurance is a customer oriented company. The Aim of the ING group is to provide and try to achieve strives to deliver their financial products and services in the way customers accept.

The main advantage of this group is to set the standard for helping their customers in managing their financial future, In 2001 ING entered into the Indian life insurance through ING Vysya Life insurance, in 2004 ING became a well established in the major regions of the world. 3. ASSESMENT OF ING INSURANCE ASIA/PACIFIC The Asia/pacific market is a bright opportunity for ING insurance to raise their growth rate because there is a huge economic growth in the Chinese and Indian market. Thus, these investments are come as two joint ventures in China as well as in India and a high stake in atop Indian bank, Vysya Bank (44% ING stake).

Later on ING concentrated on large business across six mature markets such as Taiwan, Australia, Hon Kong, Newzeland, Japan and South Korea and semi mature was in some markets such as Philippines and Singapore as well as newly emerging life insurance markets in China, India, Indonesia and Thailand. The main reason ING to enter into the Asia/Pacific region is rising income in the countries.

This issue gave huge opportunities for the foreign insurances companies to enter Asia Pacific market such as gradual deregulation and the opening up of the Asian insurance markets.

So the demand for the life insurance in Asian markets was greater than other countries at a comparable stage of development. Therefore Japan and Korea displayed the 2nd and 3rd highest degrees of insurance penetration in the world There Were Reasons for the Popularity of the Life Insurance in Asia 1. Life insurance profited from the high rate of saving in Asia. Insurance in some Asian countries had stolen the march on the banks by intensively marketing whole life policies. 2.

In most Asian nations, state or company pensions were modest and private insurance products filled in the gap. . Life insurance enjoyed slight tax advantages in the most Asian countries. Premium volume in Asia excluding Japan was expected to experience real growth of more than 10% per year 2003-2008. 3. 1 ING products and services: ING Asia/Pacific business units offered various types of life insurance, wealth management, retail, service, institutional asset management products including annuity, endowment, disability/morbidity insurance, unit linked, universal life, whole sale, participating life, group life, accident and health, term life and employee benefits.

ING as products and services are difference in country to country, for an example in Hong Kong and Malaysia, non-life insurance products including employee’s compensation, medical, motor, fire, marine, personal accident and general liability were offered. 3. 2 Distribution channels: 1. Tied (or) career agent. 2.

Independent agent 3. Financial planners 4. Ban assurance. 5. E-business channels. 6.

Telemarketing. 3. 3 ING position: 1. ING had leading positions in Australia, Taiwan, South Korea, India and in Malaysia. 2. ING was a first-growing player in Japan.

3. ING was well positioned in the two largest Asian growth markets China and India.

In China ING had two joint venture operations in life insurance and 44% stake in ING Vysya Bank. In India ING were the 5th largest private bank as well as life insurance joint venture and mutual funds business. 4.

In New Zealand ING managed about 16% of all mutual funds, making it the number three player in term of assets under management. To rebalance the portfolio, ING sold its life and non life operations in Philippines, Singapore and Indonesia, this happened because of three major issues they are given below: \* These three countries would not produce enough substance. The business units in these three countries would need huge amount of resource to manage these markets properly and to meet ING’s standards or risk and compliance. \* ING had enough substance and growth potential in the other 12 Asian countries. (page 3& 4) 4.

Recommendation for ING Assessment ING Asia/pacific activities were organised by business unit “ countries”. The regional office was in Hong Kong fulfilled the role as a monitoring center. The regional goal was to be a top player in the key markets of Australia, Hong Kong, Japan, Korea Malaysia and Taiwan and to develop the major growth markets of china and India.

So this goal was left to the largely to the local country business units. These units had relatively high level of autonomy which created a very entrepreneurial environment. But there were some frictions between the regional office in Hong Kong and the country business units.

For an example, the functional managers at the regional office had difficulties maintaining common standards, ideas and priorities across the region The region was divided into four country clusters, each under the nominal supervision of either one of two regional managers (or) one of two executive members who then report to the regional CEO.

The regional CEO reported directly chairman to the executive committee. The regional office had several regional office professionals reporting to the chief of staff including actuarial staff, the controller, professionals engaged in the areas of legal issues, compliance, IT, investments product development, HR, E-business, security and finance, the regional functional department manager did not have direct responsibility for their respective counterparts within each business, for an example, the IT manger in Thailand reported to the Thailand country manager, not the regional IT manager.

The regional IT manager received information from the country manager by request, as shown below. Regional IT Manager IT manager in Thailand Reported Thailand Country manager BY request As per my concern the main issue is that the regional manger did not have direct communication with local mangers. The local managers have to approach there superior officers in order to contact the regional manager.

So it takes much time to solve a problem that occurred, in order to overcome from this problem.

The local manager must have authority to contact regional manager directly when they facing a problem thus it makes a easy process to problem solving. But this change should be for only major problems and worst case scenario situations. Some Cases: Regional IT Manager Local IT Manager As I observed the case the two major issues are there I have to make change they are: 1. Performance of the employee and skills of employee 2.

Communication between the employees and local branches \* In order to increase the performance of the employee.

We have to implement the changes in the salary according to performance of the employee, such as by seeing monthly performance per a single employee we have to give incentives as per their performance in the month. We can give year wise incentive’s but the employee not going to satisfy. So we have to pay their incentives monthly in order to promote the employees work and performance. \* So that employee can work effectively and seriously work for the growth of a organisation. The organisation can grow their profit measures.

Incentives + Monthly salary Employee Performance Video conferencing is a good way of communication to keep regain teams well connected and it lets to people interact with each other no matter where they are and what distance in between them. For example, this facility allows employees to work together on the same part or any electronic document. There are some video conferencing systems that allow several groups of employees at different locations to join a meeting so, they can contact easily and time consumption. It advantages the decision-making and problem solving issues. This eliminates the travel costs of bringing people physically gather together in one roof. Provide the regular updates in regular intervals about the progress of your abroad operations.

To the employees and local branches \* Involve staff with their new staff from an early stage, in order to fill distance between them. \* Use essential teams to build their relationships – essential teams will however work better if members know each other or have previously worked together \* Ask for regular inputs and feedback from your employees. So that they can manage their work. \* Always aware of cultural differences and use them to distinction your business, but don’t drive a chock between employees and local competitors.

Local workers should feel that they are working for a business that is investing in their country and not just a branch of some other organisation. 5.

Challenges to Implement: 5. 1 Pay for Performance The major challenges that will encounter when we implement the pay for performance method, is that the competition between the employees will increase that leads to lack of standard and quality as well as there would always be a partiality factor in the eyes of the manager, this skill difference will result in conflict. The other issue is how the bonus needs to make difference in the performance of an employee.

The provided incentives are to be efficiently high to stimulate appropriate utilization without creating incentives to over or under specific services. \* What information technology systems should providers adopts in order to best comply With Pay for performance guidelines, and is ING is ready to pay for this technology.

\* To what extent should Pay for Performance programs held that to improve and should be achieved , so that high performing providers continue to have an incentive to improve and low performers are not penalized for a willingness to service more challenging population . 2Communication Challenges: Regular video-conferencing is possible only if technologies like Tele-Presence is installed at all major centers of ING regional and divisional level. If such system is not installed the it will take considerable amount of investment for installation of such technology and may yield small impact in positive way. Other issue is the information shared it should be in two way, when it goes in one way that would be major problem in the case of communication that tend t miss lead.

Auditing employees for the development of communication skill under one roof in different parts or the branches because the employee should have to attended the class to develop their skill infact there would be time problem for him to cover the auditing. He need to cover his job and he have to participate the both at a time it would be difficult, that leads to frustration and may chances to low performance in work place.

The major challenge is to adopt the employees to communicate with customers and kindly perform their assessment of purpose.

The communication between the employees should improve in order to attract the customers. They have to full fill the needs of the customers as they desire it would be problem encounter to adopt these skills to every employee in the organisation until and unless they have to participate in the auditing section. 6. Value Chain: These Are Activities Supporting Services within the Value Chain: \* Procurement \* Technology Development \* Firm Infrastructure \* HR Management 6.

1 Procurement ING should purchase inputs such as supplies, equipment, and materials.

Procurement is the acquirement of good services. It should be favor that the services are acquirable and that they are procured at the best possible cost to meet the needs of the customers in terms of what they going to gain when they compare with other providers. Milestones Concept and Development System and demonstration Deployment 6. 2 Technology Development: Technology development for an every company is very important to regain their customers. The technology development is essential for every company to their growth and gaining in profits.

Technology development is a part of business exchange. Providing the customers online insurance service such as payment of their premium in online instead of they coming to office and pay this saves the time and customer satisfaction. Technology plays a vital role in the in society and affects its surrounding in a number of ways. Technology helps to develop more advanced economies and it allows rising of their values with the other competitors. 6.

3 Firm Infrastructure: Firm infrastructure includes organizational structure, finance, and culture of a company.

This infrastructure development assures the insurance companies with other investors like in asset managers, pension plans and investment banks. I suppose to do ING that they make sure that they should make commitment to unlisted infrastructure funds to the coming 12 months. ING should provide a infrastructure online database with convenient to the employees in order to keen their attention towards the development of infrastructure. The culture of the ING should change the interaction with the customers as per the change in the culture so that they can attract customers from their attention.

ING should introduce an infrastructure element to complement its current interests in private equity and insurance policies. 6. 4 HR Management: To be in forward in among the other competitors in the fast growing world HR management of the company should be strong to acquire intelligent staff to get promote in their work. Thus they can create a high performance culture in the company. HR management of the ING should equip managers and professional with the competitive required taking on the challenging roles to demand in the problem area.

These include the business acumen, human resource, process, change and personal capability. HR management gives a wide range of analysis that understands the problems in the organisation, thus they can provide solution for the problems by decision making and problem solving feature Human resource strategies are fully certified by the charted institute of personal and development. HR management is to retain the awareness into feedback on their own strengths and weakness in environment that is removed from the other issues that dominate again in their own work in their organisation.

It includes driving the skills and abilities such as creativity, mental ability, balance learning and acquiring self knowledge. 7. ROLE of Information System: Information system plays a vital role of any organization because the entire data of an organisation is stored in the information system.

If data damaged or lost it can cause a major problem for in normal running company activities that leads to financial damage. To overcome from this problem, Information system is essential for every company. Which help an organisation to better manage and secure its corporate, customer and employee data.

It improves the integration and work benefits in the organisation. This information system is also a system but it differentiates from the other kinds of system, because objectives and documents of the organisation and operations of the systems, all the information can call their target systems.

7. 1 Role of Information System in Pay for Performance: Pay for performance is for the employee improvisation in an organisation. Employees are the most important and the dynamic assets of an any organisation.

The employee information system is an all inclusive and containing system that maintains and tracks the total information of the employee in an organisation. So ING can maintain the skills and performance of the employee easily, thus they can provide the incentives as per their performance. The work flow of an employee of an organisation can provides a snapshot of individual employee information so they can judge the performance.

Employee can ask help on line that can be time saving. Features: \* Ease of use \* Powerful back and recovery features \* Resource optimization \* Online help Wide range of reports \* Employees attention 8. Conclusion: After reviewing the ING Asia/Pacific case study, I see that none of the solution provided by the consultants hired by the Kemp to device the solution for the problems encountered in the structure of the ING Insurance. The balance scorecard proposed was one of the fine solutions but still had certain issues to glue it together with existing systems of ING. There is still a good scope for complete evaluation of the existing organizational structure by practicing the newly defined IT strategy and information system.

The collection of data will help to navigate the business units in better way and recommendations made would help to minimize the problems addressed by Kemp.

Hence I conclude that the recommendations made by me during my assessment are worth to implement in existing system to enhance the complete business process. 9.

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