

# Corporate Interview: In conversation with Mr. Vikrant Ponshe, Managing Director & CEO, Cosmos Bank.

1.Kishor Nimbore\*

2.Kashmira Dhole\*\*

3.Rakhi Shinde \*\*\*

**VIM:** - We would like to hear your career story in your own words.

**Mr. Vikrant Ponshe** – My career story is known to you as you have gone through my LinkedIn profile. I started my career with LIC Housing Finance Ltd then I worked for Barclays Bank, Abudhabi Finance, Valzon Consulting & Training and now I am with Cosmos Bank from last 5 years. The Indian culture, educational system dragged me back to India, especially for my daughter's education.

**VIM:** What are your major roles & responsibilities as MD of COSMOS Bank?

**Mr. Vikrant Ponshe:** - My role here is to foresee what is going to happen next in the banking sector. I need to equip the bank to face not only the current but future challenges as well.

If I don't do that and get caught up in the baseline operational activities of the bank then I could have remained as GM or some functional head. I need to get those jobs done so as to be free for day-dreaming. In my view a CEO should spend at least 20% of his time in thinking about the future activities like stakeholder management. Things like our NPA's, profit line, market share should be the byproduct of the day dreaming .

**VIM:** What is your SUCCESS mantra in having fast track growth in COSMOS Bank as MD?

**Mr. Vikrant Ponshe:** - There is no success mantra. It's an opportunity that came on my way and I just grabbed it. In earlier organization, I was working on green project at number three position in the organizational hierarchy. It was CEO- COO & me. So from that perspective within 10 years' time I was supposed to be the MD. If I would have joined any national or multinational bank I would have reached at senior VP or possibly the cluster head position max.

Joining Cosmos Bank was a conscious decision. When I was interviewed for Cosmos bank, as part of succession planning due to superannuation of the MD in near future, the organization was looking for a suitable candidate. Hence I joined Cosmos as Head- risk Management (CRO) then became Joint MD & CEO and after that now MD. Not exactly a mantra but few competencies that an individual must have, are business acumen, flexibility, adaptability, integrity and team building skills to succeed in life.

**VIM:** According to you, what differentiates COSMOS bank from other Co-operative Bank?

**Mr. Vikrant Ponshe:** Cosmos is very progressive bank. Technology wise we are far advanced. With the digital

innovation and internet penetration, now the bank is available on just two device i.e. Tablet & thermal printer. Through tablet we do transaction banking i.e. cash in /cash out, funds transfer, fixed deposit, recurring deposit etc. As you do the transaction, the confirmation goes to the customer and print comes in through the Thermal Printer. Cosmos bank has changed with time. It is one of the oldest multi-state cooperative bank. Being adaptable & resilient will help us survive & sustain for another 100 years

**VIM:** How do you handle competition in the banking industry?

**Mr. Vikrant Ponshe:** Competition is everywhere and Profit margins are coming under lots of squeeze. Customers are becoming more aware. A bank can sustain only with unique & sustainable USP. In today's competitive world, tangible things can be copied but intangibles cannot be copied. Hence Cosmos is looking at the intangible things as their USPs. Customer centricity is the most important factor for us. Cooperative banking is all about relationship and we are having the customers form last 3 decades. Though loyalty is there still retaining the new generation customers is not easy. Stakeholder management practices & customer centric culture will be our differentiator.

**VIM:** Where do you rank Cosmos Bank amongst those 50 plus Urban Co-operative banks nationwide?

**Mr. Vikrant Ponshe:** - In co-operative banking we are the best. Actually ranking depends on many factors. If you look at the business set up, Saraswat is the best. If you look from futuristic thinking, governance and commitment of people then I am the best. There are many more goods banks like Shamrao Vithal Co-ope Bank, TJSB, Pune Janata Sahkari Bank and NTJSB.

**VIM:** Beyond your current presence in 7 states, whether the bank has any further expansion plans into other states like northern region?

**Mr. Vikrant Ponshe:** My vision is to not only be the nationalized bank but to be a global bank. RBI will not allow us today to continue to be the co-operative bank so in near future we will have to be the nationalized bank. But we have a vision of being a global bank.

**VIM:** Out of 35 districts, you have your presence across 18 districts; do you have any plans to ensure 100% state coverage?

**Mr. Vikrant Ponshe:** - According to me, what is important is the market penetration. We may not have physical presence in the form of branches but our branchless banking solutions will help us penetrate across the state (s).

**VIM:** Looking at the recent development in the payment bank sector, will it have any effect on Co-operative Bank?

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**Mr. Vikrant Ponshe:** Yes, Payment banks are a great threat to everyone. People who are doing more payments are going for payment banks. The money which is in the payment bank is much safer as compared to carrying hard cash. I feel every bank will have a role to play. Payment banks won't give you other banking facilities like deposits, loans etc. Its only transaction banking but still payment banks will affect our transaction banking segment. Technology is going to play a major & important role in the future.

**VIM:** What is your take on consolidation of banking industry in India?

**Mr. Vikrant Ponshe:** Consolidation of the Indian banks seems to be difficult. Consolidation makes more sense in the foreign context. Overall banking consolidation may not happen in India but sectorial consolidation is possible. But I don't think private bank consolidation will happen ever.

**VIM:** According to you what are pros and cons of being cooperative bank versus private bank?

**Mr. Vikrant Ponshe:** There are many ifs and buts. The Pros are, being small is beautiful because connecting to customers is a problem for big banks like ICICI, HDFC, Axis. Being small bank, we connect to our customers in much better manner. The augmented capital is a big issue for us and that's the reason why regulators are trying to push up out of this Cooperative banking segment. Typically, Cooperative bank structure is that, irrespective of the number of shares that you hold, you are getting one and only voting right. It's not about capitalist nature, it's more of socialistic involvement. Its bank by the people, of the people and for the people. But at the same time you cannot flex your muscles power or the money power. Because of being a Cooperative Bank, we are unable to get / attract best talent though we may be the pay masters.

**VIM:** Beyond the current industry sectors you cater to; do you have any future plans of broadening the sectorial coverage?

**Mr. Vikrant Ponshe:-** We are not allow to broaden beyond the prescribed set so as to be called as a Cooperative Bank. I can't do anything other than banking. I breath, live, dream only banking and bank. I have to make an ecosystem around the existing industry segments

**VIM:** - Under industrial and business, which all industries do you like cater to?

**Mr. Vikrant Ponshe:** - Almost everything except infrastructure industries because cooperative banks are typically meant for small industries / businesses. They are not for being big. But it's a different story that we are big now.

**VIM:** - What are the social responsibilities of Cooperative banks? Any specific initiative of Cosmos Bank?

**Mr. Vikrant Ponshe:** Basically if you look at Cosmos bank records, it is not a profiteer firm. So welfare of the member is one of the objectives. We have special Cosmos bank foundation where we specially cater to our members. There are examples of mishaps done during few CSR activities so here at Cosmos, I may not do something that much actively. If you ask, we do some social activities such

as traffic control awareness, drinking water facilities, and from last 3-4 years we are doing one unique thing, We celebrate our bank anniversary every year. On that day, we used to do some social work on branch level. Some of our branches donate food grains, school stationeries, etc.

**VIM:** - NPA, being the universal problem of banks, what is your NPA ratio?

**Mr. Vikrant Ponshe:** NPA, definitely it's better to have NPA ratio less than '7'. I would like it to be in points. But now the conditions are very poor, still we are relatively better.

**VIM:** - In the contest of technology revolution, are you ready; do you see an era of branchless banking?

**Mr. Vikrant Ponshe:** It's time to move with the technology because innovation is buzzword that can flow from your mind. Technology is changing the face of banking industry. Technology has changed the employment, the way we work day today.

**VIM:** - How do you ensure the work life balance?

**Mr. Vikrant Ponshe:** - It's nice to say about work life balance in interviews but when it comes to practice you can't. You have only 24 hrs in a day & have enough things to do. I don't get time to spend with my family, friends. I think that's the price you have to pay with big responsibilities. You can't take a break from your responsibilities.

**VIM:** - Looking at your highly impressive CV, what are the desired skill sets & qualification an MBA should possess?

**Mr. Vikrant Ponshe:** People management skills, Good negotiation skills are a must. If you learn Project management, it will give you disciplined approach to everything you do in your life. It's not about only managing a project, anything you do becomes a project; you apply methodology & system to it & vision to plan it.

**VIM:** How do you chase your passion or nurture your hobbies?

**Mr. Vikrant Ponshe:** - Music is my passion. Technology is a great thing, a small device like this JBL compact music player, helps me. Whenever I'm alone in office I listen music. Other than that, I love reading. I like interacting with people.

**VIM:** - We are sure you must be the role model for others but who is your role model & who was your role model during your young age?

**Mr. Vikrant Ponshe:** My grandfather was my role model & he is still my role model because basically I am a human being and to be a good human being is what I learned from him. I see my grandfather as one of the best human being. I'm successful because I treated people as people & that help me remain connected.

**VIM:** - Being the MD of Cosmos bank we would like to know one of your most challenging achievements which is very close to your heart?

**Mr. Vikrant Ponshe:** - Minimizing risk is the most challenging work.

**VIM:** - What according to you could be the differentiating factor for MBA graduates to make a successful career in banking?

**Mr. Vikrant Ponshe:** - Precisely, apart from all other great management skills, you should know your customer and his requirements.

