

Question:

What is E-CIB and how E-CIB helps banks to overcome the credit risk.

ANS:

An online Credit Information Bureau is an organization that collects and collates credit data on borrowers from its member financial institutions. The financial data is then aggregated in system and the resulting information (in the form of credit reports) is made available on request to contributing member.

This data will be helpful for financial institutions for the purposes of credit assessment, credit scoring and credit risk management.

The major purpose of this database is to enable the financial institutions to know the credit history of their prospective customers thus enabling them to make a more prudent decision. As banks have the complete credit history of a prospective customer

Question:

What is BOP market and what are the strategies which make a Company successful in BOP market.

ANS:

BOP:

Base of the pyramid is the largest but the poorest socio-economic group whose earning is less than the 2.50\$ per day. In the world there are 2.5 billion people in BOP market.

Following are the factors which can make a company successful in the Bop market.

1. Focusing on the BOP with unique products, unique services, or unique technologies that are appropriate to BOP needs and that require completely re-imagining the business, often through significant investment of money and management talent. Examples are found in such sectors as water (point-of-use systems), food (healthier products), finance (micro-finance and low-cost remittance systems), housing, and energy.

2. Localizing value creation through franchising, through agent strategies that involve building local ecosystems of vendors or suppliers, or by treating the community as the customer, all of which usually involve substantial investment in capacity building and training. Examples can be seen in health care (franchise and agent-based direct marketing), ICT (local phone entrepreneurs and resellers), food (agent-based distribution systems), water (community-based treatment systems), and energy (mini-hydropower systems).

3. Enabling access to goods or services—financially (through single-use or other packaging strategies that lower purchase barriers, prepaid or other innovative business

models that achieve the same result, or financing approaches) or physically (through novel distribution strategies or deployment of low-cost technologies). Examples occur in food, ICT, and consumer products (in packaging goods and services in small unit sizes, or “sachets”) and in health care (such as cross subsidies and community-based health insurance). And cutting across many sectors are financing strategies that range from micro loans to mortgages.

4. Unconventional partnering with governments, NGOs, or groups of multiple stakeholders to bring the necessary capabilities to the table. Examples are found in energy, transportation, health care, financial services, and food and consumer goods.

5. Enterprises may—and often do—use more than one of these strategies serially or in combination.