American Express Financial Centre East: EDITED

Header: Finance finesse
Intro: India was a natural choice. Skilled manpower and high educational standards had the dice heavily loaded in its favour

American Express Financial Centre East, the BPO arm of American Express, was started in 1994 as one of the three financial centres of American Express. It belongs to the league of captive BPOs and is also known as American Express India Pvt Ltd (AEIL). The inception of this firm lay in the re-engineering strategy that was introduced in American Express in 1993. The management of the firm decided that there would be considerable advantages in the consolidation of decentralised financial processes spread over 50 countries into three financial centres. Economies of scale, standardisation and process improvement opportunities, enhanced service quality and cost savings were some of the benefits sought out of the venture.

The three financial centres were set up at Phoenix Arizona, USA, for North and South America, at Brighton, England for Europe and the Middle East, and at New Delhi, India for Japan, Asia, Pacific, Australia and New Zealand. The company attributes the selection of India for the Eastern financial centre to the human resource skills and the high educational standards in India. Finally, New Delhi was chosen because infrastructure was perceived to be less costly in the city, in comparison to other cities with a large pool of English speaking people.

Like the other financial centres, AEIL, also provides accounting and financial services to the various operations of Amex worldwide. These services include accounting processing, financial controls, general accounting, vendor payables, disbursements, business analysis and financial systems control. These services are provided to the global Amex businesses. The company was rated as the second best employer in the India in a survey carried out by Business Today in co-ordination with Hewitt Associates, in 2003. Further, AEIL has been awarded the ISO 9001 certificate for business continuity planning, one of the first companies in the world to be awarded so.

Six sigma has been one of the initiatives taken by the company. The company has implemented six sigma in its internal processes. Six sigma meters have been put up by the company at the customer end, at the sub-process level and at the back end. These meters help the company to assess the cause of any problem as and when it occurs. Each process for the company has a different sigma value. An example of a situation wherein the company has benefited from the implementation of six sigma is the problem that arose with regard to communication with the Latin American countries. Whereas the average speed of talking for Indians is around 200 words per minute, the speed for the Latin Americans was much lower, which led to certain communication problems. This was brought to light with the help of the Six sigma initiative.

The AEIL employees receive about 10 days of training per year. The company says that the attrition rate of the employees is in single digit; the exact rate was not disclosed. This rate would then be lower than the industry average, which stands at 35-40%.

One of the initiatives taken by the company to retain the employees is to provide them opportunities to move to go outside India, if need be, or traverse the entire footprint of the company in India. AEIL also carries out an annual employee survey, which helps them to
assess the satisfaction of the employees. Amex hires employees with a finance background including CAs, MBAs in Finance or those with either a graduate or postgraduate degree in Commerce.

Start-Up Year: 1994
Area of Operations: Financial analysis, accounting, payments and control
Locations: Delhi
CEO/Managing Director: Pradeep Kapur
Promoters/Owners and Funding: American Express
Approximate Headcount: 1,000 plus
Approximate Revenues: NA