

EXECUTIVE SUMMARY

Continuous growth has been observed in the global insurance industry where higher growth in revenues was achieved in 2019 compared to other industries. Sixty insurance brokers are currently competing in the industry but contributed in aggregate below 20% to the market indicating ample potential for improvement. CFC has established a fully owned subsidiary, CFIB in 1996 with the intention of exploiting a business opportunity in insurance brokering. Strategic approach of new management had enabled the company to be the market leader in 2012 and to continue thereafter with solid growth. Continuous profit growth through transformational leadership is the theme of this study and the objective is to describe how continuous profit growth was achieved by CFIB over the two decades of operations. The author has selected CFIB as the unit of analysis and out of many factors that influence continuous profit growth, the author has identified and selected the aspects of transformational leadership, cost optimization and strategic HR practices to develop and discuss this case study.

The existing literature relevant to the inter-relationship of the three key drivers, demonstrating transformational leadership, adapting cost optimization strategies and implementing strategic HR practices are discussed. Theoretical background was provided based on similar studies done in the past with real world behaviours, to ascertain the relevance. The literature on different stages of growth in businesses, key determinants, and variables that influence the growth of profitability, are also discussed. How transformational leadership has driven organizations to success has also been explored. The theories behind effective cost optimization strategies and salient levers of successful long term cost optimization strategies were examined. Further impact of adopting strategic human resource management theories have also been discussed in detail.

Service oriented entities interact with a huge clientele and it is inevitable for such entities to follow the best practices of the relevant industry derived from a conceptual framework. Such theoretical background would encourage entities to relook at the existing competitive domains to align strategies in line with industry behaviours to diversify their activities and practices. The author analyzed and unearthed the theme of continuous profit growth through transformational leadership at CFIB using the relevant theoretical framework. Making use of inherent influences that come from corporate parenting and regulators for

the success of entities, identified through past studies, have also been discussed. Primary data has been collected through in-depth interviews and focus group discussions arranged with employees who are engaged in the various functions. Secondary data was gathered from company and group financial statements and online with relevance to CFIB.

The Success journey of two decades of the pioneer insurance broker, CF Insurance Brokers (PVT) LTD has been clearly demonstrated through this case study. By implementing different strategic approaches to accelerate the top line and the bottom line in a consistent manner, CFIB as at date, is proudly standing as market leader with over 12% market share in the insurance brokering business (IRCSL Annual Report 2017). Key milestones and the events that enabled the company to achieve continuous profit growth in a highly competitive market are discussed and demonstrated through various primary and secondary data sources. It is clearly evident that the contribution made through leadership by implementing cost optimization strategies and strategic human resource practices has driven the CFIB towards continuous profit growth.

Salient theoretical concepts identified in the literature review have been connected to the narratives of CF Insurance Brokers (PVT) LTD to ascertain how case narrative has been linked to the case framework on accomplishing continuous profit growth through transformational leadership in CFIB. The company has displayed continuous success and a high level of performance by establishing itself as a pioneer in the industry with a significant rapport among the insurers. Further, the author has investigated and proved the applicability and relevance of the story and the theoretic background in terms of cost optimization strategies and application of strategic human resource practices that have been adapted by CF Insurance Brokers (PVT) LTD for continuous profit growth.

Based on the observations and findings with regard to the case framework, it was concluded that continuous profit growth was achieved by CF Insurance Brokers (PVT) LTD during the last two decades and that it had been driven by transformational leadership demonstrating turnaround performance over the years. Success of CF Insurance Brokers (PVT) LTD has been achieved due to implementation of cost optimization strategies and strategic HR practices, by the leadership. In addition, the study provides many insights to the corporate environment on how organizations should operate their businesses in a challenging and competitive manner towards achieving long term success.