



# CEOCFO

## Interviews & News!

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### Ebix Is Focused On Remaining A Back-End Global Powerhouse Of Insurance Transactions



**Technology  
Business Software & Services  
(EBIX-NASDAQ)**

**Ebix, Inc.  
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**Mr. Robin Raina  
Chairman, President and CEO**

#### **BIO:**

Robin is the Chairman of the Board, President & CEO of Ebix, Inc. (NASDAQ: EBIX) a 31-year old publicly traded American company, formerly known as Delphi. Today he has lead the transformation of this company into a Global Group with offices in Sydney,

Melbourne, Auckland, Singapore, London, Chicago, Sweden, Atlanta, Pittsburgh, Park City, Walnut Creek, New York, Dallas, Reston, India & Toronto. He also moved the corporate headquarters of the group from Chicago to Atlanta.

Along the way, Robin has been strongly recognized for his untiring work by the analysts, media – print and television, award committees etc. A few examples are as follows:

- Fortune magazine for three consecutive years, named Ebix Inc. (under the leadership of Robin Raina) amongst the hundred fastest growing companies with a market capitalization of less than \$ 200 million.

- Atlanta Journal Constitution recently ranked Ebix amongst Georgia's top 15 companies.

- Deloitte in the year 2004 ranked Ebix amongst the fastest growing 50 companies in the Greater Chicago area.

- Robin Raina was recently featured on the cover page of Hewlett Packard's world financial service magazine, for his work in leading the insurance industry forward

- Ebix Chairman & CEO Robin Raina was recently named amongst the 100 Most Powerful people in Insurance in North America by Worksite magazine

- ABI named him "Man of the Year" for his work in the insurance industry in 2003.

- Robin Raina was interviewed by General Alexander Haig – Former Secre-

tary of State, United States, on CNBC in the year 2000, in a series conducted for CNBC on Leaders in Financial Services.

- He has been interviewed on prime time many a times on multiple international Television channels including BBC World, ZD Net, CNBC, TV Asia, and CNN etc. over the last few years.

- He has been featured and interviewed for numerous stories in magazines ranging from PC magazine, PC world, Industry Standard, Computer World, CIO, CFO, Reuters etc.

- He has been featured in many stories in the Indian press on him ranging from Times of India, Indian Express, Economic Times, Hindu, Dataquest, PC Quest, Khabar, India West etc.

- Key analysts like Gartner, Aberdeen and Delphi analyst groups have strongly commended his key concepts introduced to the world like the concept of market making in insurance.

- Fortune magazine rated Ebix website amongst the top three insurance sites, two years in the running.

- Forbes magazine rated Ebix as the "Best of the Web" in Insurance.

#### **More On Robin**

Robin is known for his untiring work for the cause of the under-privileged around the world. He started the Robin Raina Foundation, a 501 © public charity foundation to champion the cause of the under-privileged children. Today, the foundation has financially adopted approxi-

mately 3000 under-privileged children in India. The foundation is presently in the process of building 6000 homes for slum dwellers free of cost.

Robin likes to give back and help the cause of the underprivileged. Besides donating substantial money every year to charity, he also runs a magazine dedicated to charity in the United States – Lifeline and is known for his passion to make charity “fashionable and cool.”

#### **Company Profile:**

A CMMI 5 Company, Ebix, Inc. is a leading international supplier of software and e-commerce solutions to the insurance industry. Ebix provides a series of application software products for the insurance industry ranging from carrier systems, agency systems and exchanges to custom software development for all entities involved in the insurance and financial industries.

Ebix strives to work collaboratively with clients to develop innovative technology strategies and solutions that address specific business challenges. Ebix combines the newest technologies with its capabilities in consulting, systems design and integration, IT and business process outsourcing, applications software, and Web and application hosting to meet the individual needs of organizations.

With bases in Singapore, Australia, the US, New Zealand, India and Canada, Ebix employs insurance and technology professionals who provide products, support and consultancy to more than 3,000 customers on six continents. Ebix's focus on quality has enabled its development unit in India to be awarded Level 5 status of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integrated (CMMI). Ebix has also earned ISO 9001:2000 certification for both its development and call center units in India.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOFOinterviews.com**

**CEOFO:** Mr. Raina, please tell us about the vision for the company and how that has changed or evolved?

**Mr. Raina:** “Ebix is a 31 year old company and in the earlier days used to be primarily an insurance broker system vendor, which means providing solutions to insurance brokers worldwide. I joined the company in 1999 and I came up with my own vision plan for the company. Today the company’s vision plan revolves around the convergence of B2C and B2B, convergence of front end and back end

**“We are primarily a B2B vendor, which means our main business, and most of our revenue to date comes out of making their businesses more efficient. It could be an insurance company where we would completely redeploy and design a new system for them for their backend business, which will give them everything they need to run their business. It could also be a large broker where we could deploy a system that would make their business more efficient. Or we could be deploying exchanges which would help the insurance companies carry data of any entities that they work with.” - Mr. Robin Raina**

processes, convergence of any islands that exist in insurance whether these islands are in the form of the consumer island, the insurance company island or the broker systems island. The idea being that if data entry is done once, data must keep flowing through without data entry at multiple points. That is the company’s technology vision and to achieve that we provide systems addressing all the islands of this insurance industry. We have products for insurance companies and insurance brokers; products which are directly used for consumers in the insurance business and we have built exchanges to connect these islands. Our approach today remains to be a global powerhouse of insurance transactions in the world which

means we have to be a back-end power house of insurance transactions.”

**CEOFO:** This is not just helping them make sales but software to help them make sure their business runs smoothly.

**Mr. Raina:** “Absolutely.” We are primarily a B2B vendor, which means our main business, and most of our revenue to date comes out of making their businesses more efficient. It could be an insurance company where we would completely redeploy and design a new system for them for their backend business, which will give them everything they need to run their business. It could also be a large broker where we could deploy a system that would make their business more efficient. Or we could be deploying exchanges which would help the insurance companies carry data of any entities that they work with.”

**CEOFO:** Are you selling worldwide or strictly in the United States?

**Mr. Raina:** “We sell worldwide. Today our customer base is in excess of 55 countries and it keeps growing every year. We do business in almost all the continents today.”

**CEOFO:** Was your software developed in house or was it acquired?

**Mr. Raina:** “It is a combination of both. We like to deploy software in house so most of

our software is developed and designed in house. We made four acquisitions over the last two or three years, so we have developed quite a fair bit of application software, and we have integrated that into our scheme of things. Newer versions of any acquired software are coming out using our present developers. We try to keep everything in house.”

**CEOFO:** What sets you apart from your competition?

**Mr. Raina:** “What sets us apart is that we are probably the only vendor worldwide who provides a rather wide expanse of services to the insurance industry worldwide. In addition, everything we do is cutting-edge, which means we do not deal with Legacy products and try to re-

engineer them. Every product, industry, and sector we work in today use products developed by us using the latest technologies. Beyond that if you look at any of our competitors, we have different competition in different parts of the world and that is our biggest problem. We do not deal with one company worldwide, if we deal with a company here in the US with respect to our carrier system, we deal with a totally different country in Europe or in Asia or Africa for the same carrier system product. If we look at the broker systems or exchange markets, we have the same situation.

**CEOCFO:** Do you provide the hosting for the software?

**Mr. Raina:** "We provide that as an option. If people want us to host it, then we host it."

**CEOCFO:** Do you provide customer service after the sale?

**Mr. Raina:** "Part of the strength of our business model is that we do not just sell software and get out of the equation; we basically lease it. Therefore, the product is still owned by us; the customers are using it on the basis that they can use it until they continue paying us for support. Support is an important issue in the equation that we have, which means we support customers all across the world. Each customer that we have sold to is getting support from us and we have been very good at it. We have not lost a customer internationally in the last five or six years."

**CEOCFO:** So recurring revenues is a part of your model.

**Mr. Raina:** "Exactly. Today 70% of our revenues are recurring. We like the recurring revenue model."

**CEOCFO:** How do you approach sales and marketing?

**Mr. Raina:** "We have strategically located offices all across the world - in Sydney, Melbourne, Auckland, Singapore, India, London and 9 offices in the United States. We also have a few remotes around the world to help us handle our customer base. Each office has sales people and there are about 16 offices worldwide."

**CEOCFO:** How do you as CEO manage such a large operation?

**Mr. Raina:** "It is not as difficult as it was in the earlier days. Today if you have deployed your systems well, if you have delegated responsibility well and if you trust the people you work with, it is not that difficult. It is finally a function of how you create sound systems. Business is all about your selling price ideally being a lot higher than the cost price. If you figure out that complicated formula, the rest is easy. Business is as easy as trusting your people, deploying them across the world and delegating responsibility to them. You create systems, along with checks and balances within the system so that there is not misuse of the system and so that there is complete control and transparency in what they do. It is not difficult in a world where people are carrying blackberries and the internet connecting the world in the fashion that it is, to manage your business from wherever you are. We could be sitting in any part of the world and business would still happen."

**CEOCFO:** What do you need to grow your business over the next few years?

**Mr. Raina:** "We are focused on generating shareholder value. We do not just focus on top-line, we like bottom-line to grow proportionately with the top-line. We would like the company to have a 30% net margin; we had 26% last quarter. Besides, that on a top line basis, we would like to see our company become a three-figure revenue company. So that is where we are trying to take it in the next few years."

**CEOCFO:** Would that come through new customers or deeper penetration with you current customer base?

**Mr. Raina:** "I think it will be a combination of organic growth and a few acquisitions. We intend to remain focused and keep doing what we have done over the last few years."

**CEOCFO:** Would you say that your customers realize the cost-saving value of having a system from you or is this something that needs to be pointed out to them?

**Mr. Raina:** "It becomes easier once the customer sees the system, as to why it

would be save them money. In the insurance industry there is always resistance to change and for some reason it is addicted to paper and everybody realizes that paper has to get out of the process if they are to become more efficient. Prospective customers always seem to realize the value of the system and the cost savings they could get out of it. The way that insurance companies function, internally it is a life changing decision for them to deploy our system, verses doing something on paper. Therefore, it comes with its normal quota of internal meetings to make that decision, which is a pretty long process."

**CEOCFO:** In closing, why should potential investors consider Ebix?

**Mr. Raina:** "Potential investors need to look at whether a company is going to be there five years from now; are they a brick and mortar company, do they have products and services that the market is dependent on. From our prospect, we believe we are like a CISCO of the insurance industry in certain ways since we provide solutions in a back-end manner. If something were to happen to Ebix, it would cause quite a few problems for quite a few carriers and brokers around the world; and that would include some of the largest names in the world. We think that we are a real player who makes real business happen around the world. So, investors need to pay attention to that and look at our past financial results. Look at the net margins of Ebix, look at shareholder value for example; that we have created in the last three and a half years, with the share price having grown 2000%. As of now, people who have bought stock in the range of \$2.00 to \$3.00 in the past are today trading the stock at \$50.00. Today when you look at the stock, some of the sites like Yahoo or NASDAQ would show Ebix P/E as 20. The last quarter we had 75 cents of diluted earnings. If you take that quarterly run rate and reflect it over a year and use that number to divide your present market cap, then you are likely to realize that the P/E is truly around 16 for Ebix, which in my viewpoint is quite low for a company which every quarter has been reporting record results over the last few years. Those are some of the positives for an investor to look at."



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