



Certified Manager



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Transforming
Sri Lanka
To an
Economic
Centre;
**THE WAY
FORWARD**



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EDITORIAL CONSULTANTS



Dr. (Mrs.) Kumudini Heenatigala
FCPM00189
Research Fellow -
Governance Research Program
College of Law & Justice
Victoria University



Dr. Ranjan Madanayake
FCPM00127
Managing Director
Phoenix Business School,
Colombo 03.

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The Institute of Certified Professional Managers was formed to provide professional qualification in management, termed as Certified Professional Managers (CPM), by conducting educational programmes, providing practical experience in private and public sector entities, and establishing a link between the private and public sectors for the advancement of professional management.

CPM is a joint project initiated by CMA Sri Lanka and All India Management Association [AIMA] which led to the formation of the Institute of Certified Professional Managers (CPM), and is an active member of the Association of Management Development Institutions in South Asia [AMDISA].

Membership in CPM is open to individuals seeking to develop their professional skills and career in management in Industrial, business, services sectors, or in the public sector.

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For more information, please contact;

Institute of Certified Professional Managers

No.29/24, Visakha Lane, Colombo 04.

Tel: 2506391, 2507087, 4641701-3 (Ext:133)



Message from the Journal Committee Chairman

It is my great pleasure to have published "Certified Manager" in this quality and appearance with the team effort of the CPM Journal Committee. We are pleased to present this Journal, Certified Manager in a totally different perspective when compared to previous publications. This Journal contains articles, publications and texts of interviews, which are of

immense use in professional, academic and endeavours.

It is wonderful and satisfying to ensure that many members have shown keen interest in education and professional interactions, which helped us to create the publication in a totally different outlook. We are expecting similar interest and feedback from our members and readers, which will positively help us to moderate the next Journal with more constructive ideas.

I also take this opportunity to express my sincere gratitude whole-heartedly to authors of articles, organizations providing advertisements, members of the committee, editorial panel and those who contributed to finalizing the journal in this manner.

T. Someswaran

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Message from the President of CPM

I wish to congratulate the publication of the "Certified Manager" meant to develop an overall strategy to enhance the profile of Institute of Certified Professional Managers (CPM) and to expand the knowledge of members on national and industry-related issues.

This issue features articles discussing the effectiveness to transform Sri Lanka into a strategically important economic centre by developing five strategic hubs; a knowledge hub, a commercial hub, a naval & maritime hub, an aviation hub, and an energy hub, taking the advantage of Sri Lanka's strategic location & resources.

Explosion of knowledge will undoubtedly help the entire nation in order to lead a life full of prosperity and happiness. Let's become a part of the knowledge based society and builds a new culture through education and commitment.

I sincerely express my gratitude to the Chairman and Members of CPM Journal Committee and staff of CPM for the initiative, the Editorial Consultants for their dedicated work



and the sponsors for their generous contribution which made the publication of "Certified Manager" a reality.

Prof. Lakshman R. Watawala

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ASSOCIATION OF MANAGEMENT DEVELOPMENT INSTITUTIONS IN SOUTH ASIA

University of Hyderabad Campus, Central University Post Office,
Hyderabad - 500 046. (A.P.), India.

Ph : +91(0)40+6454 3774, 6454 5226 | Fax : +91(0)40+2301 3346

E-mail : amdisa@amdisa.org | Web : <http://www.amdisa.org>



The Association of Management Development Institutions in South Asia (AMDISA) was established in 1988, with the initiative of leading management development institutions in the South Asian Association for Regional Cooperation (SAARC) region. AMDISA is an international not-for-profit association, and is a "SAARC Recognised Body". It has 201 Members, of which 182 are Institutional Members from the SAARC region, 4 Affiliate Members, 1 Corporate Member and 14 Reciprocal Members. The Reciprocal Members are Institutions with similar objectives outside South Asia and includes Institutions such as Association to Advance Collegiate Schools of Business (AACSB) International, USA; European Foundation for Management Development (EFMD), Belgium; Russian Association of Business Education (RABE), Russia; Central and East European Management Development Association (CEEMAN), Slovenia; Association of Business Schools (ABS), UK; Australia and New Zealand Academy of Management (ANZAM), Australia, etc. Membership is available to management development networks all over the world.

The mission of AMDISA is to "Promote management excellence in South Asia by networking management development institutions and facilitating their partnership with corporate enterprises and public agencies in the region." This is the only Association which networks management development institutions across the South Asian nations, through exchange of information, conducting regional conferences and providing a forum for academics and business leaders. The Association interfaces business schools with leaders interested in management development; promotes professional development of management faculty; provides

institution-building assistance to business schools and corporate management development centers in the region. AMDISA organizes institution-building workshops for Heads of Institutions, Faculty Workshops on frontier areas of management and inter-institutional cooperative research on contemporary managerial issues in South Asia.

AMDISA launched a global benchmark quality assurance and accreditation system for Business Schools in this part of the world called as South Asian Quality Assurance System with acronym as SAQS. SAQS is the quality assurance scheme run by AMDISA as a service to the management education profession worldwide. SAQS is the South Asian system of quality assessment, improvement, and accreditation of higher education institutions in management and business administration. Its fundamental objective, linked to the mission of the AMDISA, is to raise the quality and standard of management education. AMDISA facilitates standard setting, benchmarking, mutual learning, and the dissemination of good practice across borders. The SAQS Quality Label is intended to provide recognition beyond the domestic environment to institutions that, in addition to satisfying high quality standards in their national market, are also credible in the international arena. So far thirteen reputed schools, ten from India and three from Pakistan, have availed the services offered by SAQS, and have been accredited by AMDISA. Twelve more schools, Nine from India, one from Pakistan and two from Bangladesh, are in various stages of the SAQS process, after having been found eligible by the SAQS Committee. More schools in the region are expected to seek the academic guidance and strategic audit provided by SAQS in the near future.

AMDISA is registered under Societies Registration Act, under Indian Law and is funded by membership subscription, corporate contributions and project assistance received from regional as well as global agencies and has received assistance from ILO, INTERMAN, Commonwealth Secretariat, Canadian International Agency, Asia-Pacific Development Centre.

Elected as President of AMDISA 2013-2015

Dr. Ashok Joshi, Director Indian Institute of Cost and Management Studies and Research (IndSearch) Pune has been elected as the President of The Association of Management Development Institutions in South Asia (AMDISA) a SAARC recognized body for the period 2013-2015.

Dr. Ashok Joshi is the Director of the Indian Institute of Cost and Management Studies and Research (IndSearch), Pune, and was the Vice-President and the President Elect, Association of Management Development Institutions in South Asia (AMDISA), A SAARC affiliated Body. He is also the Editor AMDISA Newsletter. Dr. Joshi was the President, Association of Indian Management Schools (AIMS) in 1999-2000.

Dr. Joshi was the Founder Dean, Faculty of Management, University of Pune, between 1992 and 1995, Dr. Joshi has recently been appointed once again as the Dean of the Management Faculty at the University of Pune from 2010 to 2012. Dr Joshi has also been the Chancellor's Nominee on the University Senate and the Vice-Chancellor's Nominee on the Academic Council between 1995 and 2000 at the University of Pune.

Dr. Ashok Joshi is the recipient of the prestigious Ravi J. Mathai National Fellow award of AIMS; he has also been conferred the honorary Fellow



Membership of the Institute of Certified Professional Managers of Sri Lanka.

"The Achiever of Excellence" award has also been conferred on Dr. Joshi by the Bombay Management Association. Dr. Ashok Joshi is also the recipient of Prof. Dharni Sinha Memorial Award by Dr. P.N. Singh Foundation.

Dr. Ashok Joshi has obtained M.Com.(Costing), M.A.(Economics), MMS (Marketing) and Ph.D. (Cost Accounting) degrees from the University of Pune and also the Fellow of the Institute of Certified Professional Manager (FCPM) of Sri Lanka. He led pioneering research projects on Socio-economic Development sponsored by the Planning Commission, ICAR, ICFTU, NCD etc. His books include the critically acclaimed Essays on Political Economy, "No Water in the Tap", Monograph on "Poverty Alleviation and Bottom of Pyramid Models" and "Chachanchya Hataat Arthavyavastha" (Economy in the hands of pirates) in Marathi. Widely traveled at home and abroad, Dr. Joshi is also an advisor to several reputed business schools. More than 35 scholars have received their Ph.D. degree under the guidance of Dr. Ashok Joshi.

Elected as Vice-President of AMDISA 2013-2015

Prof. Lakshman R Watawala, President of the Institute of Certified Professional Managers (CPM) has been elected as the Vice President of The Association of Management Development Institutions in South Asia (AMDISA) a SAARC recognized body for the period 2013-2015.

Prof. Lakshman R Watawala is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA); Fellow of the Institute of Certified Management Accountants of Sri Lanka (FCMA); Fellow of the Chartered Institute of Management Accountants of UK (FCMA UK) and also the Fellow of the Institute of Certified Professional Managers (FCPM).

He is the President of the Institute of Certified Professional Managers (CPM) of Sri Lanka. He served as a Qualified Assistant at Turqu and Youngs (Ernst & Young); Chairman & Managing Director of the Ceylon Leather Products Corporation; Chairman & Managing Director of the State Mining and Mineral Development Corporation; Chairman Peoples Bank; Chairman Peoples Merchant Bank; Chairman & Director General of the Board of Investment of Sri Lanka; Advisor of the Ministry of Finance; Chairman of the Pan Asia Bank Ltd.; Director South West Asia Informatics Holdings Ltd., Singapore; Deputy Chairman and Executive Director of the Singapore Informatics Computer



Institute (Pvt) Ltd.; Chairman & Director of the General Board of Investment of Sri Lanka (2005 – 2007) and the Chairman of the National Insurance Trust Fund.

He currently serves on the company Directorates of Richard Peiris PLC.; Gestetner Ceylon Plc.; Lake House Printers & Publishers PLC. Lanka IOC Plc.; and Abans Electricals Plc. He is also the Chairman of the Audit and Remuneration Committee of all these companies.

He also serves as a Committee Member of the Ceylon Chamber of Commerce; President of the Institute of Certified Management Accountants of Sri Lanka and its Founder; Was the Past President of the Institute of Chartered Accountants of Sri Lanka; Past President of the South Asian Federation of Accountants (SAFA); Founder President of the Association of Accounting Technicians of Sri Lanka (AAT) and Past President of the Organization of Professional Associations of Sri Lanka (OPA). He has been appointed by the Supreme Court of Sri Lanka to the "Committee of Chartered Accountants" to assist the Supreme Court in the repayment of depositors of certain specified failed deposit taking companies.

A FLOATING DRYDOCK TO ACCELERATE THE MARITIME GROWTH

Mr. M.F.M.Najab is an Engineer- Naval Architect by profession and counts for more than 33 years of experience.

31 years out of 33 was at Colombo dockyard PLC. He joined CDPLC as a trainee engineer, retired at the age of 55 years on 12 May 2011, and was the GM Administration and Corporate affairs of CDPLC at the time of retirement.



After retirement, He joined the present employer, MTD Walkers PLS and work in the capacity of Head of Marketing and Corporate affairs.

 **Mr. M.F.M.Najab**
MCPM00225

Congruent to the government's plans to transform Sri Lanka into a strategically important economic centre by developing five strategic hubs; a knowledge hub, a commercial hub, a naval & maritime hub, an aviation hub, and an energy hub, this article looks at the advantage of Sri Lanka's strategic location & resources to operate a floating dry-dock and further augment naval & maritime hub status of the country.

Sri Lanka's future prosperity mainly depends on a vibrant, dynamic and innovative export sector and Sri Lanka's development policies need to be reoriented and aimed at the acceleration of economic growth.

The government is making all efforts to develop the country as a naval & maritime hub and in this quest all ports are being developed to cater to the needs of the transportation of containers and cargo. But, there is another group of ancillary sectors in the shipping-related businesses, such as ship repair, shipbuilding that needs government assistance and encouragement.

As far as a developing a naval & maritime hub is concerned, Sri Lanka

could exploit the location where Sri Lanka is situated along the key shipping routes between the Malacca Straits and the Suez Canal, which links Asia and Europe. An estimated 36,000 ships, including 4,500 oil tankers, use the route annually. Sri Lanka is strategically located next to the fast growing Indian sub-continent with close proximity to Southeast Asia and the Middle East.

Therefore, the development of maritime activities such as ports & shipping related activities especially ship repair/shipbuilding activities need to be at the forefront of the government's infrastructure development agenda as the industry is well capable of contributing heavily in to the national economic growth.

Sri Lanka has immense potential for growth in maritime industry as no other country in the world. It has the advantage of being an island with an enviable strategic geographic location. Developing ports and related areas based on the implied needs of the ship owners and shipping companies at least with a 10 years forecast will enable us to surpass the growing competition in the region.



A FLOATING DRYDOCK TO ACCELERATE THE MARITIME GROWTH

Even though Sri Lanka has an internationally recognised shipyard in Colombo, there is an opportunity to develop a Niche market for small and medium size vessel repairs and this facility could be located in other developing ports such as Hambanthota and Trincomalee, as these Ports currently has unutilized capacity.

We can create a Niche market for repairing of tug boats, crew boats, service vessels, fishing boats, and patrol boats of foreign as well as local owners.

To acquire and operate a floating dry dock of 12000-15000t/c would be the ideal solution to service these small vessels. This is comparatively less expensive than constructing and operating a graving dry dock.

A floating dry-dock is a type of pontoon for dry docking ships, possessing floodable buoyancy chambers and a "U"-shaped cross-section. The walls are used to give the dry-dock stability when the floor or deck is below the surface of the water. When valves are opened, the chambers fill with water, causing the dry-dock to float lower in the water. The

deck becomes submerged and this allows a ship to be moved into position inside. When the water is pumped out of the chambers, the dry-dock rises and the ship is lifted out of the water on the rising deck, allowing work to proceed on the ship's hull. Even though the operation seems simple, there are incidents where capsizing of floating dry docks due to negligence, as it requires skilled operating personnel and due technical failures. But if managed professionally, the business could be carried out very profitably.

Ship repair business is by nature labour intensive. This provides an immediate advantage to developing economies that have an abundant supply of low cost labour. The technologies employed in ship repair have undergone major changes in recent years, resulting in a drastic reduction in docking and lay up time for repairs. However, despite advances in technology ship-repair remains a labour intensive business, as virtually every job will be unique in some respect so automation is not always an available solution.

Assessing the future demand for ship repair services is difficult, as a considerable amount of this demand is unscheduled. Also demand for repairs is governed by the need to balance the laying up of vessels to keep it in a seaworthy condition, with the necessity of keeping it commercially operational to meet market demands. However, despite this unpredictability, one thing that can be said about future demand is that its growth will have some relationship with the growth of the world fleet.

Ship repair, is a cyclical business and an investor needs to be patient initially as it will take some years to make returns on his investment. The secret of success in this industry is to have a competitive pricing structure, pragmatic government policies, and support when it is required to remove impeding obstacles, winning customer confidence by consistently maintaining a high quality of repairs and implementing tough industrial safety regulations.

Sri Lanka is the one of the safest countries in the world to invest in due to a number of mechanisms in place to protect investors. The island's constitution guarantees the safety of investment protection agreements under Article 157. Sri Lanka has signed bilateral Investment Protection Agreements (IPA) with 27 countries (Investment Protection and Double Taxation).

Skills required

Finding skills in the ship repair field is a challenge in Sri Lanka. Most of the skilled are been hired by the oil rich Middle Eastern countries paying high wages. What we need to do is to use the available manpower and train them.

All the organizations need to support the initiative made by the Tertiary and vocational commission (TVEC) in association with the Skills development Project (SDF) to introduce the National Certification system for the Technical and Vocational Education and Training (TVET) sector of Sri Lanka, which is called the National Vocational Qualifications (NVQ) framework.

The NVQ framework provides for persons to acquire certificates through undergoing a formal institutional training as well recognizing

competencies acquired through informal non-institutional training.

NVQ Certificate is not a training certificate but certifies your skills. It is a nationally recognized certificate that confirms, you possess skills up to the respective NVQ level in that occupation. NVQ System is a skill evaluation system. Since the Skill Standards are prepared with the contribution of professionally competent personnel in the industry, such skills are consisted with functions to be carried out in the Industry. This is the way forward to prepare our skill levels needed not only for ship repair industry but also for the need of the entire country.

However during the initial stage the specialist skills could be available from the private sector in the form of retired employees. This retirement system where an employee retires at the age of 55 gives an organization the opportunity to try out new talents at responsible senior positions and fulfill the employees aspirations as well. Success of this system depends on the commitment, exposure, and dedication of the promoted employee but indiscriminately using the retirement scheme only to meet the employees aspirations might not bring the expected results.

Most of the private sectors employees retire at the age of 55 are at the peak of their respective profession, fit, competent and specialist in their respective fields. Obtaining their services will give competent employees at no extra cost.

Economic benefits

Having this medium size ship repair facility, the floating dock, when in full operation will provide more than 500 direct and indirect job opportunities for engineers, welders, fitters mechanics, electricians, trainees passed out from the technical colleges and others. The benefit will ease up the level of unemployment in the country in general and in the district where the repair facility is established in particular.

Foreign exchange earnings through Ship repair activities otherwise lost to the countries in the East- West shipping route will provide an economic benefit to the country.

The project will go a long way in serving the repairing needs of medium size vessels. Additionally, it would generate potential for the development of ancillary industries. This would help in the development of the region, enabling inclusive homogeneous growth of the region.

“Finding skills in the ship repair field is a challenge in Sri Lanka. Most of the skilled are been hired by the oil rich Middle Eastern countries paying high wages. What we need to do is to use the available manpower and train them.”

FUTURE OF GLOBAL LEADERSHIP

Its Impact and Outcome to Society

The scope and importance of the future of Global Leadership,

its impact and outcome to the Society goes in par with the expansion of the Internet and E-commerce, Communication, Cultural Diversity, Personal Attitudes, Perceptions, Legislation including the overall impact of the way people interact, which is changing rapidly. Global Leadership also formulates new concepts of change to the traditional and hierarchical management structures across the globe, irrespective of geographical boundaries. Thus, it has become increasingly necessary for all types of Organizations to shift their traditional mind-set, paradigms and organizational processes, for competition, survival and sustenance in the ever-evolving Global Economy.

In addition, the Global Economy formulates a new set of Future Global Leaders who combine professionalism and ethics that span beyond geographical boundaries. The inevitability of past competitors becoming future partners is prominent in such a Global Economy for formulation of common win-win situations.

Nevertheless, in reality, the application of most of the concepts pertaining to Global Future Leadership still remains diffused due to the complexity of cross-border, cross-culture diversity and geographical and political differences, and is presently furthering divisions between the present "traditional" economies and the Global economies. Though global leadership currently exists as a highly debatable topic, the paper visualizes that eventually there would be a "Hybrid Economy" for interdependence and sustenance across

the different economies. Thus, Global Future Leaders need to address such challenges and foresee the impact on their organizations for sustenance and success.

Based on above considerations, this article provides a summarized view of possible impacts, limitations and challenges to be faced by a developing country such as Sri Lanka in seeking to establish through the ranks of its key decision makers and decision-making bodies a Global Leadership model of a dynamic business environment. The paper also includes a set of conclusions and recommendations backed by inter-country empirical information and conceptual interpretations drawn from a list of selected references on how Sri Lanka should address such challenges to attain the desired position of a Global Leader.

Global Leadership has been defined (Cathy L. Greenberg: 2003:9) as, "An extraordinary capacity to unify a global workforce around a single purposeful vision, through demonstration of personal mastery, thinking globally, anticipating opportunity and using shared leadership networks." Such a leadership relies on multi-facet characteristics that are essential for conducting successful business undertakings across diverse cultures. They include a process of rapid dissemination of technical knowledge across the global workforce from diverse cultures, with the support of border-less communication and knowledge interaction technology.

As a result of such knowledge transfers, traditional organizations across diverse cultures are swiftly transformed into knowledge-centric, globally competitive partnerships, which rely on the workers' knowledge (and experience) as a crucial information asset.

“

An extraordinary capacity to unify a global workforce around a single purposeful vision, through demonstration of personal mastery, thinking globally, anticipating opportunity and using shared leadership networks.

”

Global Leader Characteristics

Ideally, for a nation to be classed as 'a global leader' in the business environment it should also possess a high capacity for an intellectual openness and deep professional knowledge among the ranks of its key decision makers. It is however noted that at the individual level even a key multi-disciplinary leader cannot single-handedly and humanly be competent in all areas of the ever changing, challenging and diversified global business processes. This facilitates the sharing of leadership in a collective and collaborative positive thought process considered as the driving force behind Global Businesses. Several crucial factors are considered as essential for the generation of such a desirable body of Leaders. They are:

Global Thinking

It is essential that Leaders "arm" themselves with developed field of vision and values via seeing themselves as citizens of the world. As such, it should be noted that the increase in global trade and combination of global technology, for example e-commerce, are considered the main driving forces assisting global thinking. The capability and realizing how to lead across global regions would assist future leaders on how to manage global production, marketing, and sales teams for attaining competitive advantage

Valuing the Diversity of Culture

It revolves around effective interaction of human skill pertaining to appreciating cultural diversity, and is defined as multiplicity of leadership style, industry style, individual behaviors and values, race, and sex. In addition, it is crucial that the Global Leaders understand both the economic and legal differences, including the social

and motivational differences, which are considered part of the worldwide exposure for working around the world. It would assist future leaders on how to manage global production, marketing, and sales teams for attaining competitive advantage. To attain such accomplishments, it is crucial that Global Leaders consist of diversified (practical) experiences gained via spending or living sizeable periods in different regions of the world.

Technology Savvy Development

The formulation of groundbreaking innovative and diversified technologies that assist efficiency and success of planning, managing, communicating, producing, and delivering effectively, becomes a vital asset in the formulation of Global Organizations to become virtual networks, operating through technology, with the existence of Global Enterprises much reliant on Information and Communication Technologies. To harness intellectual capital for technology savvy, he or she should be skillful and strategic to know the respective strengths and weaknesses and draw positive inputs from such a knowledge workforce for the betterment of the Global Organization. For this, the future Global Leader should possess characteristics such as being adaptable, honest and inspirational, thus producing an aura of a "global leader". In addition, "intellectual openness, deep professional knowledge, effective interpersonal skills and a leadership style that reflects profound self-awareness, personal authenticity and grounded confidence" are considered essential ingredients for future leadership.

Creation of Alliances and Partnerships

Since the present trend of re-engineering, restructuring, and downsizing are leading to a world in which outsourcing of all but core brand-related activities, these processes

are likely to become the norm in the future Business Partnerships and Alliances. Thus, the capability pertaining to negotiating complex alliances and administering complicated networks of relationships is becoming the DE-facto standard in formulating joint leadership of new business models that are crucial for successful global ventures.

Leadership Sharing

In contrast to present individual leaders who are the typical sole decision makers, the Global Leaders of tomorrow would strive for integration, not control, thereby formulating collaboration with other leaders for deriving a common vision and purpose. They would undoubtedly originate social architectures, which promote creativity, and abstract thought processes for the formulation of innovative ideas to gain competitive edge.

When considering high-speed evolution and expansion of technology and the respective generations who are most accustomed to perform effectively with these technologies, there is more likely to be a diverse gap between the present and future leadership styles of managing such knowledge workers-people who are acquainted with more about what they are doing than their managers know. Such knowledge workers may well be difficult to keep, if not properly motivated.

To address this type of challenge, future leaders would likely function in a mode of requesting for input and sharing information. In addition, they would also facilitate the formulation of development challenges and opportunity for retaining such human resources.

“It is essential that Leaders “arm” themselves with developed field of vision and values via seeing themselves as citizens of the world.”

Challenges To Global Future Leadership – The Sri Lanka Perspective

Though a high level of technology savvy consciousness is prominent in Sri Lanka, the human factors form a resistive medium for the generation of Global Future Leadership. Some of the common issues that are identified as real-world challenges to empowering Global Future Leadership in Sri Lanka are briefed below:

Challenges to Congruency

Ideally, future global leaders should come together or agree in a strategic and congruent way so as to “inter-partner” and mutually assist (win-win situations) each other in achieving a common objective, i.e.; collective and collaborative positive thought process that is considered as the driving force behind Global Businesses.

In the Sri Lankan situation, a contradiction to such agreement exists, mainly due to prevailing perceptions that stem from diversified culture and family-centric backgrounds in the society. In a country, which had faced many challenges in the colonial past, the “evolution” of its Culture tends to resist applying concepts such as “global leadership”, thus making “congruency” for that matter, a slow process.

However, for the “sake of achieving” a common objective such as ‘global leadership’, conceivably, Sri Lanka has to put-aside differences and collectively contribute. Mutual trust, core personal and spiritual values including the exceptional inter-balancing of emotional, intellectual, and business intelligence which is found in typical Global Leadership is hardly applicable in “colonially influenced” Sri Lanka even at present, where typical Top-down Management structures and ‘Divide and Rule’ hierarchy are still

rooted in the society and influences business decision making at large.

Providing “Smoke Screens”

Consequently, in Sri Lanka, the (leadership) management “slips” from taking timely notice of and rectifying action on emergent structural and personal issues that are tended to be regarded as minute and does not have “impact” on the overall conduct of the business in an organization. It may also arise from information non-disclosure as a means of personal job security (management) or safeguarding organizational image via information leakage.

In the present competitive environment, a lack of interest and time for handling such situations also contributes to a deepening of “negative” worker vs. management attitudes affecting the overall culture of an organization. Thereby, a lack of trust and infighting emerges between managers/leaders and employees. In the long run, their respective consequences would be holistically drastic. Then there are also issues of weakened ethical and honest behavior, which also prevail in present organizations.

Thus, without clear and concise fact representation to appropriate parties, there is bound to be the occurrence of negative consequences eventually. On the contrary, this type of model is just the opposite for Global Leadership which relies on positive human relationships, win-win partnerships, positive attitudes, etc., due to the complexity and diversity of culture, attitudes and behaviors, all infused together for the formulation of a common objective beyond geographical boundaries. In Sri Lankan Context, due to the negative multi-perceptive ideologies and political influences that have a strong impact, corporations inculcate such unethical behavior into their respective organizational cultures that provide strong foundation to resist change.

CONCLUSIONS

Global Leadership is typically a new concept that challenges the traditional leadership of the present business environment while its impact creates ripple effects across diversified areas, which spans on across the border-less Global (Virtual) Environment. Global Environments create the breeding ground for cross-cultural Global Future Leadership, which intermingles with groundbreaking new technologies to further enhance Global enterprises to be more competitive and customer-oriented.

RECOMMENDATIONS

Considering the challenges thrown at Global Future Leadership in the Sri Lankan Context, on personal perception, a strategic methodology (though time consuming) may be formulated to address such issues. Appropriate governing bodies of relevant organizations (both inside the country and outside) should collaborate positively in reaching this common objective; (Note: It is extremely vital that when such a process is performed it should be done ethically with positive consent.) The process should include:

“THOUGH A HIGH LEVEL OF TECHNOLOGY SAVVY CONSCIOUSNESS IS PROMINENT IN SRI LANKA, THE HUMAN FACTORS FORM A RESISTIVE MEDIUM FOR THE GENERATION OF GLOBAL FUTURE LEADERSHIP.”

- 1) Identification of countries' cultures and their corresponding issues of resistance pertaining to Global Future Leadership and "profiling" them accordingly
- 2) Respecting and taking into account of the cultural diversity and traditions, to educate and communicate the importance of Global Future Leadership. (influencing change)
- 3) Initiating the formulation of a "Hybrid" Global Leadership Process (Initially within the country and consequently outside the country) and gradually monitor its progress via respective feedback against the previous "profiling" indicator
- 4) Once such countries are deemed ready to compete with other Global Business Environments, formulate a separate mechanism to encourage Inter-Global Trade and provide assistance for such countries to succeed accordingly. Consequently, proper checks and balances should also be in place to ensure the smooth flow of Global Business

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Gnanesh Sheka Dissanayake Wanigaratne
ACPM00509



Gayan Gunawardana
ACPM00775

ACPM, BSc (Hons) (Spe) (USJ),
Reading for MHRM (COL)
Director-Wings Logistics Pvt. Ltd.

Importance of positive beliefs towards transforming Sri Lanka into an Economic Centre in Asia...

In this article, I will discuss one of Sri Lanka's on-going long-term objectives of becoming an economic centre in Asia. Would a mere belief that "Sri Lanka Can" get us there? Would we be able to surpass the various practical, operational and psychological barriers that form the obstacle course of this amazing race? As people are driven towards this objective, in a country open to expedite development, what role would "positive beliefs" play in this equation?

I have no intention of discussing theories, but will dwell more on the practical and human aspects. Sri Lanka plans to become a regional hub in the field of aviation, ports, energy, knowledge and tourism. The country has been registering a good growth in last two years and it is estimated that this trend will carry forward and progress with an increased rate of growth along with the ongoing socio-economic developments of the country.

In a recent survey by the Ceylon Chamber of Commerce (Business Outlook Survey – June 2012), three key factors were identified that will affect the business outlook in Sri Lanka. In order of priority they are:

- 1) Peaceful Environment
- 2) Improved Infrastructure
- 3) Availability of trained manpower

After the end of hostilities, the country is witnessing a peaceful environment and there is a commendable effort by the authorities to improve the infrastructure around the country. Sri Lanka also has the available labour force. However, there is a mismatch between expectations of the labour force and the availability of employment. If this can be

mitigated and a structured approach is adapted to capacity building, we would have a strong and ready labour force to take up the demand of the nation's development.

In this case, I think one of the most important areas we should concentrate is "overcoming the psychological barriers of negative beliefs" as it can be a major obstacle towards achieving success. I strongly believe that Sri Lankans as a nation still do not fully subscribe to the idea that we can become the wonder of Asia, which is the on-going vision of the country. Most of us are underestimating Sri Lanka's capabilities and most of the time we are condemning the work of others who put in a genuine effort to pursue this.

We need to understand that unless we are fully convinced on the idea that we can become the "wonder of Asia", no other country will believe us. It would be a "buzz word" to be ridiculed by larger nations who put down our efforts to achieve this goal. Such criticisms are borne by predominantly political motives and can have geopolitical nuances as well.

Many would argue that it is better to discuss management theories on productivity, efficiency and effectiveness which are cornerstones of becoming a global force; however, I believe that the root lies in getting our motivational elements right. It is the basis of the change of opinion needed in the attitude of our people who will make this happen, as organizations do not act, people do. We can then address the other management theories and how they will align to our march forward.



IMPORTANCE OF POSITIVE BELIEFS

A recent study on international trade by McKinsey & Company predicted that by the year 2020 around 80 percent of the goods in the world will be "manufactured in a country different from where they are consumed". The current figure is 20 percent, which means a potential four-fold growth in shipping volumes in just ten years. Logistics is the sector on which the global economy will increasingly rely. It also means that logistics will no longer be a mere facilitator of economic growth, but will increasingly be a driving arm of the economic development. This is a clear indication that Sri Lanka's aspirations of becoming a hub in the selected areas is a well thought out plan.

Sri Lankans' disbelief can be attributed to various factors such as political influences, personal beliefs and influences by other parties. As a management forum, we need to collectively structure a systematic plan

to mitigate this and create an environment of positive belief to achieving the nation's objective.

Do you remember after the major disaster caused by the Asian Tsunami, our railway department workforce took only a few months to reinstall the railway tracks from Colombo to Matara. How did they do it? It was a clear example of strong beliefs and they all agreed that they could do it, but if we assign the same task to them now, will they do it at the same frequency? What is the formula to bridge the gap between personal thinking and national thinking? We must clearly communicate a "cause" and the real value of various projects being conducted under the infrastructure development. Historically this has been given a lesser priority because of the various reasons such as political strategies even though it is important as much we talk about cost-effectiveness or efficient work.

Whether you believe 'we can do it' or 'we cannot do it', your thinking maybe be justified in either case, but success or failure sometimes begins with beliefs and positive thinking, which can open up ways and possibilities that will drive towards ultimate success. I select a quote from Hugh White to conclude. He has said, "The past cannot be changed; but the future is still in your power". Therefore, we must go out confidently and give our best to Sri Lanka, collectively moving towards the objective of becoming a competitive economic centre in Asia.

You can drop an email to 'gayanrg@gmail.com' if you appreciate these thoughts OR if you think of any areas that I should concentrate on more when we meet next time via CPM journal...Cheers!

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GROWTH STRATEGIES

The Composite Model

By Dr. Ranjan Madanayake

FCPM00127

DBA, CPM, FSPMgt, FSBP, MCInstM, RPM, MMA, MNZIM, MIM (SU), MSUM, FCPM
 Author Strategic Marketing Plan – The 12 'P' Model, Sri Lanka
 Author PCM Course Book, Sri Lanka Institute of Marketing
 Co-author The Marketing Collectibles, New Zealand & Malaysia
 Co-author Marketing Skills in Management, India
 Marketing and Management Consultant



Beautiful synchronized music doesn't emanate from a single instrument but a collection of them; wind instruments, percussion, strings are some of them. Business strategies are also similar, to the individual instruments. When they are brought together, they become robust and create competitive advantage and help achieve business and organisational goals.

Every company would have the desire to grow if there is an opportunity. A single business unit or fewer products may expose a company to greater risk of competitive pressure. Hence, growth is a desirable endeavour for business or organisational sustenance. Different authors at different times have proposed and published different growth strategies and they are like parts of music or a painting. The attempt of this unique model is to bring them together as a



Every company would have the desire to grow if there is an opportunity. A single business unit or fewer products may expose a company to greater risk of competitive pressure. ”

composite model that would provide the total melody or the complete painting.

Growth Strategies Grid

The growth strategies composite model that embodies different strategies is as follows:

Intensive Growth	Innovative Growth
Integrative Growth	Diversification Growth

The Growth Strategies Grid / The Composite Model

The many references that are available, points to the above four important strategic directives in determining Growth Strategies for Business Units in large organisations or even smaller ones. Each of the four above is described below.

Intensive Growth For Existing Business Units

This is an ambitious strategy where the company or its business units determine that the way forward to grow is through intensive growth. The components of intensive growth are:

- Market Penetration
- Growing Current Markets
- New Market Development

Market Penetration. As asserted by Igor Ansoff (1957) a company can grow by selling more of its current products to the present markets. This means that the company must sell its present products to more people within that target market. Let us say we are selling Malt biscuits to 27% of teenagers and young adults who are our target market, the attempt must be to enhance that to 30% or 35% as appropriate.

Growing Current Markets. This means making present users to buy more of the present products of the business, which are hitherto not purchased. The SBU that sells a refrigerator can also try to sell a TV or other white goods to the same customer if there is a need for such. Similarly, the company that sells a bar of toilet soap can sell its shampoo to the same customer and achieve customer growth. By doing so we have the opportunity to grow current markets.

New Market Development. The SBU can target markets currently not supplying, such as a new geographical area within its national boundaries or target markets overseas, outside its national boundaries. In a market extension strategy it can also target market segments or niche markets it is currently not supplying. An MNC that marketed a baby shampoo extended it to the dads, implying 'if it is good for baby it is good for dad as well'; this is a segment extension. Their IMC showed a dad and kid using the same shampoo together.

Integrative Growth For Existing Business Units

Sales and profits of a business can be increased through vertical or horizontal integration (Kotler et al 2012). They are:

- Forward Integration
- Backward Integration
- Horizontal Integration

Forward Integration. The company can take over a function in the value chain that may now be handled by marketing intermediaries, such as distributors, franchisees, wholesalers and retailers etc. Singer in Sri Lanka does not have any intermediaries as was done before. They have their own showrooms island wide and market their household and other white goods direct to their customers. This also augurs well to implement and control their installment payment plans.

Backward Integration. On the contrary, company can take over a function in the value chain that is currently handled by a supplier. MAS Group that produces lingerie for Victoria's Secret stopped outsourcing and commenced producing several components required for the end product themselves, through their own subsidiaries. The money stays within the group, brings additional growth and it is an assurance that they can get these important components just in time (JIT).

Horizontal Integration. Acquisitions, Mergers and Strategic Alliances could render growth. Singer in Sri Lanka acquired another famous company, which manufactured a popular brand of refrigerators. They have now used that competitive advantage to launch additional flanker lines through that acquisition. Many companies in the recent past merged with others to create competitive advantage for themselves and stay ahead of competition. Similarly, companies have negotiated strategic alliances with other companies to strengthen their competitive position.

Innovative Growth For Existing Business Units

Innovative Growth in an SBU is about how it can develop new initiatives for its current cliental through its current business unit. They are:

- New Product Development and Line Extensions
- Product Improvement or Enhancements
- Re-positioning Existing Products



New Product Development and Line Extensions. Unilever who marketed Fair & Lovely fairness cream for women found an opportunity when their market insights personnel reported that the husbands and brothers of the female users dipping into their Fair & Lovely fairness cream. They promptly launched Fair & Handsome fairness cream for men. Shampoo comes in 50ml PET bottles, but CavinKare of India, realizing that the low income consumers would be persuaded to buy if they could market a single use product launched a line extension, the shampoo sachets.

Product Improvement and Enhancements. Nespray3+, targeting growing up kids over 3 years has incorporated Fortilearna unique combination of Prebio 3, Calcium, Iron, Essential Fatty Acids and other nutrients. This improvement and enhancement meets every mother's need of a superior growing-up milk that will support her growing child's nutritional needs. This improvement enhanced the quality and therefore the image of the brand significantly.

Re-positioning Existing Products. This can change the destiny of a brand. In Sri Lanka Horlicks Malted Milk was positioned as a convalescent's drink whilst Nestomalt, which was also a malted milk, suffered the same fate. Therefore, Nestle chose to re-position Nestomalt as an energy drink knowing well that it provides high energy and attracted a huge following of customers.

Diversification Growth By Setting Up New Business Units

Diversifying from a company's existing business units to other areas is another option for growth. They are:

- Concentric Diversification
- Horizontal Diversification
- Conglomerate Diversification

Concentric Diversification. The company could setup a new business unit to produce new products that apply similar technologies and serve existing markets. A dairy farm that markets sterilized dairy milk can setup a new business unit to produce RTD flavoured dairy milk. Vanilla, Chocolate, Strawberry and Mango flavoured milk drinks are popular among the young.

Horizontal Diversification. In this option the company will setup a new business unit to produce a technically unrelated product that appeal to the current market. We can take the above example of the company that is producing sterilized dairy milk and RTD flavoured dairy milk drinks and set up a new business unit to produce different varieties of cheese such as Cheddar, Slices, Blocks etc., using dairy milk as its main raw material.

Conglomerate Diversification. This is an opportunity for the company to look at a business unit that uses no similar technology, product or market and diversify into a totally unrelated business. Taking the same example of the dairy farm, it can setup a good tourist hotel in the vast extent of green fields that cattle graze and provide a salubrious experience to the visitors.

Growth is necessary for a company; therefore, growth strategies are crucial. However, the right growth strategies must be pursued where there is market growth and industry attractiveness.

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WRITE TO CERTIFIED MANAGER

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How to reach us
directorcpm@cma-srilanka.org



BANCASSURANCE A SYNERGISTIC APPROACH IN BUSINESS MANAGEMENT



Roshan Collas
MCPM00455

*The writer is a Senior Manager
of a composite insurance
company and the
Head of Bancassurance
of a commercial bank*

Change is the constant factor for both development and failure of an individual, family or a country. The reality of this change which continued to impact the human life from ancient time is now being unveiled more than ever before. The business world where we are being coached to treat a customer as the king has become extremely sensitive for the micro and macro changes in the economy and environment too. Changing lifestyles are confusing not only for the marketers, but also for business managers who are stretching-out to integrate the entire value chain of a business. This global situation has invited many corporations to shake hand with each other to survive and grow better in the business battle field. Most corporations are focusing on forward, vertical and horizontal integration to enhance strategic

alliances in the market place. In today's business world strategic alliances collaborate to gain synergies through sharing their strengths with each other for mutual benefit, while mitigating the weaknesses and threats in the market place. The world popular Google is a classic example of a corporate that was continuously in search of synergies from year 2001 to 2012. Google have join hands with 121 corporates in its journey of growth as a Computer Software and Web Search Engine Company.

Bancassurance, which is a new dimension of the insurance business, has purchased the synergies in two giant financial sectors, the Banking and Insurance, and has become a successful business proposition in many parts of the world. The business concept behind bancassurance has allied the banks and insurance companies at different levels for mutual benefits while crafting customer convenience to the market. Therefore, it is worth discussing this evolution independently in the light of each industry.



The banking industry is the major facilitator in the Sri Lankan economy, as in the economies around the globe. The face of banking has also been very dynamic in keeping up with developing demands of the economy, and its continuous progress from various levels to the plastic card generation which is evident from its response to the market change. In the current context, banks are expanding their scope via e-commerce to reach its highest level not only as a facilitator to the financial sector, but also in competition with many giants in the connected business lines in the country. Despite the rapid development in the industry, banks are being increasingly challenged by their bottom line budgets, due to their earnings from the core banking operation which is no more a sole contributor to their profits. Therefore, the banks are increasing its focus towards major fee-based income avenues such as insurance, margin trading etc. They are willingly investing their resources in these new business lines as a result of the confidence gained through success enjoyed in some non banking avenues such as Pawning. The bancassurance business has also become a great contributor to non-interest income in the form of fee-based contribution for banks, and these benefits have driven them to be leaders in the insurance sector in some countries such as Spain and France, where the banks are responsible for over 70% of its life insurance penetration.

Life Insurance industry which has over 50 years of history in Sri Lanka is still in its growth stage in the business life cycle. Its current penetration is approximately 10% to 12%, and above 85% is captured by top 5 players in the market, which shows that larger potential is still available in the industry. As per the review of 'International Association for the Study of Insurance Economics', the total premium volume is approximately US\$ 4.34 Trillion, contributing to around 6.9% to the global GDP in 2009. When analyzing the economy of India, the immediate neighbor of Sri Lanka, we observe that both banking and insurance sectors have contributed approximately 7% to their total GDP where the gross premium collection contributed nearly 2%. Further, it is pertinent to note that the funds available with LIC (Life Insurance Corporation of India) as investments will also add up to 8% of their GDP.

The bancassurance business has contributed to industries, which is evident in some of the European countries such as France, Italy, Austria, and Belgium, where over 60% of the insurance premiums are channeled through bancassurance. The model of operation will differ from country to country, due to the differences in business and legal structure of Banking and Insurance industry. However, it has been proven that the success of bancassurance will depend on the commitment of both corporate and the strategic business model that will

roll-out in operation. For example 'SBI Life Insurance' is a joint venture incorporated 12 years back by State Bank of India (SBI) and BNP Paribas Cardif to capitalize the bancassurance opportunities in India, which is still operating successfully and has produced an average of 2,317 MDRT members in the last 5 years. SBI is the India's largest bank group in terms of profit, assets, deposits, branches and employees. SBI has a wide network of 21,700 branches and over 240 million accounts as well as its international presence in 34 countries with 180 offices. BNP Paribas Cardif, is the Insurance arm of BNP Paribas – Euro Zone's leader in retail banking, investment solutions and corporate and investment banking. As per the information published by Indonesia Life Insurance Association, 51% of the new businesses are channeled through bancassurance in year 2012.

In the Sri Lankan context, many banks and insurance companies have, and some are currently in the process of execution of different models to capitalise the bancassurance business. However it's yet to prove a successful model which could sustain in the business and legal structure of the country.

The success factors of bancassurance that has effected globally and what triggers the growth of bancassurance will be discussed in the next version of this article.

TRANSFORMING SRI LANKA TO AN ECONOMIC CENTRE: A WAY FORWARD

AFTER 35 years of miserable war, the biggest challenge that the Sri Lanka is facing now is to achieve a sustained economic growth while protecting its own social and cultural norms. As a result, present government has been introducing a number of economic development projects under the concept of "Mahindha Chinthanaya" and their dream is to lead the country to be the 'Miracle of the South Asia'. As a resourceful country, this dream is not far away if the available resources are effectively utilized for the economic, social and cultural development. Being

an island which is situated in a specific geographical location, Sri Lanka has numerous comparative advantages over several other countries of the world. Particularly, due to the location of the country, it can be made as a key economic centre which can be connected the rest of the world. In the way to the development, a country should be politically stable and rulers should be educated, strategic and true country loving. Also, the citizens should have positive and straight forward attitudes and they should be patriotic. In

the Sri Lanka, now there is a peaceful environment which is a key fact that should have for leading a country way forward. By looking into the current situation in the Sri Lankan political, economic and social sectors, it is doubttable that the country is heading towards the right way that it can achieve so-called economic development to be the 'Miracle of the South Asia' in the near future. As I believe, we still have enough time to turn this beautiful country into the right direction to make it a better place to live and also to develop as one of the super powers in the South Asia. Here, these are some facts that we really need to consider in achieving our dream to be the 'Miracle of the South Asia'.

Way to the development: can it happen? how it will happen? what should be done?

The plan of the current government is to develop the country based on five major sectors of the economy: knowledge, commercial, maritime, aviation, and energy. As they have recognized, these are the key hubs to develop to be a super power in the South Asia. The government has to improve these



Knowledge hub

As I believe, this is the key to develop the Sri Lanka and the easily achievable than others. Fortunately, Sri Lankans are very intelligent and creative in nature and this is well-known by the most of the developed countries and hence they would like to recruit the graduates produced by our country. Here, one thing came into my mind which I never forget, in my PhD induction program, my PhD supervisor introduced myself as a Sri Lankan to the academics of one of the largest universities in the UK, then suddenly one of them told 'oh he is from the Sri Lanka, then should be very intelligent'. Here, I was very pleased as a Sri Lankan and wherever I go around the world to deliver a speech, I am proud to say that 'I was graduated from the University of Peradeniya, Sri Lanka'. Unfortunately, the problem is that the ruling parties of the Sri Lanka are still struggling to effectively use the human resources of our country. Therefore, it seems that the majority of the well-educated people are leaving the country and this trend has become quite serious currently than ever before. Some people argue that our education system is not good enough to face the requirements of the country/world. Being a product of one of the leading Sri Lankan universities, I cannot agree with that fact and I found that it is quite easy to compete with other graduates around the world with the knowledge that I gained via my BSc degree.

Perhaps, there should be some improvements to our education system in practical and IT knowledge particularly for the students who are in non-technical streams/degrees. If we really want to make our small country to be the knowledge hub in the South Asia, there are many things that we must do. The first thing is that the rulers must take necessary actions immediately to stop the brain-drain by providing a real value to them. As I believe, most people who are working abroad are willing to come back to the Sri Lanka if they receive at least a reasonable value / acknowledgement to their qualifications and service from the

country. Unfortunately, the reality is that the unqualified people are being selected to the key positions of the country (may be with the political influence) and this has caused: in one hand to a high level of brain-drain and on the other hand to a deterioration of both public/private services. Moreover, it is essential to allocate a considerable portion of money (i.e. both for teaching and research) to the education sector from the GDP if we want to turn our country to be a knowledge hub. Nevertheless, the Sri Lankan government has been reducing their budgetary allocations to the education year by year as shown in fig. 1.

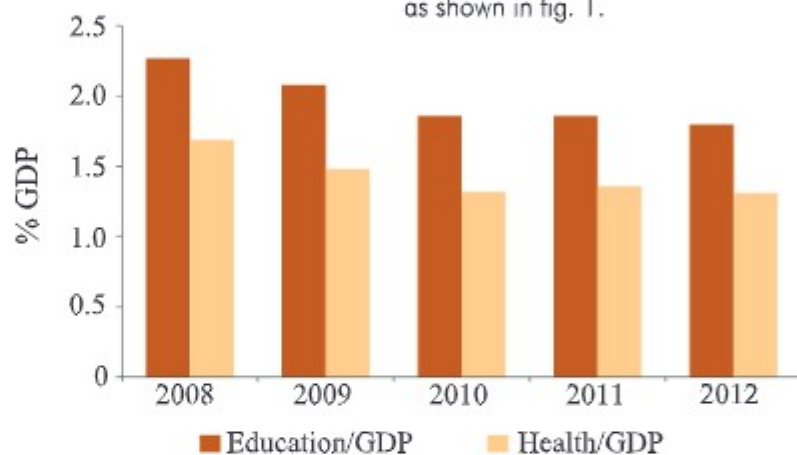


Fig. 1: Budgetary allocations of the Sri Lankan government for the education and health in the years: 2008-2012

According to the UNICEF standard, a country should allocate at least 6% from their GDP for the education sector and most of the developed countries are usually allocating at least 5%-6% or more for their education (e.g. USA – 5.7%, UK – 5.3%). Here, the Cuba is the country which spends the highest percentage from their GDP (around 19%) in the world for their education while the Guinea allocates the lowest percentage for their education which amounts of around 0.6%. Of the South Asian countries, the Sri Lanka is in the bottom of the list according to the GDP allocation for the education in the year 2010 as shown in fig. 2.

world ranking of our universities to attract foreign students?'. In fact, I am not sure that these leaders at least aware of the criteria of which universities are ranked. However, before attracting foreign students, it is essential to improve the facilities of our universities (i.e. research, teaching IT, library, hostels, sport, etc.) in order to uplift them to a good standard. Otherwise, it will only be a dream to attract foreign students by competing with the high-ranked universities around the world. Although there are well-talented academic staffs in our universities, they are restricted only for teaching as they do not have enough money for research. In reality, they do not have

no influence of the third parties and this will allow selecting right person for the right job. Likewise, research centres should be established for the key areas of production (e.g. agriculture, dairy, fishing, and manufacturing), service (e.g. health, education, trade) and social development of the country (countries like the China and UK would be good examples for this case). Qualified researchers should be employed to carry out research and development to find out solutions for problems relating to the so-called key areas of the country. Also, the people who have involved in the production and service sectors should be provided with the required training and up to date knowledge to improve their production and services. In fact, these are only a few major areas that we have to improve and still there are lots of minor things to do as well. Otherwise, making a knowledge hub for developing the economy and also for dominating the South Asian education will stay only as a dream.

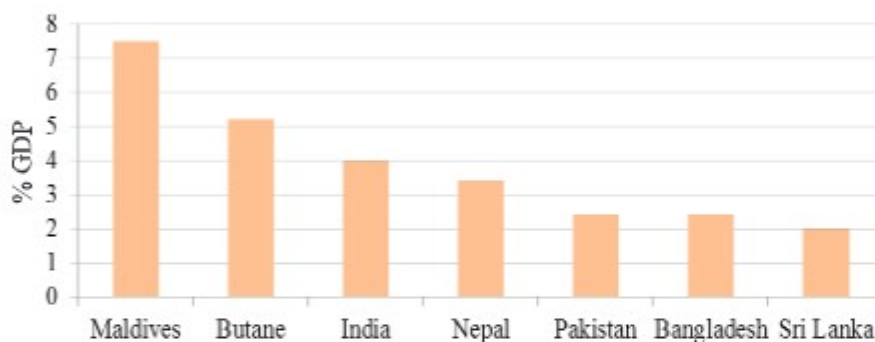


Fig. 2:

Budgetary allocations for the education from their GDP by the South Asian countries in the year 2010

Indeed, this information explains the amount of effort that the Sri Lanka has to put if we want to be the knowledge hub in the South Asia. In this journey, universities should be encouraged to perform high quality research while carrying out teaching to a good standard. In case of the Sri Lanka, universities expect only teaching from their academic staff while the demand for research is very low. Conversely, universities in the developed countries are majorly focused on research rather than teaching (however, this does not mean that their teaching is low in quality). Currently, the Sri Lankan government focuses to attract foreign students to the local universities which is a good step of making a knowledge hub. Few months ago, one of the big characters in the Sri Lankan education asked from the university staff in a press media conference 'can you uplift the

adequate facilities at least to perform teaching to a good standard according to the prevalent situation. On the other hand, it seems that the primary/secondary education is also in a challenging situation and many schools around the country have being closed down during the last few years. Sadly, it seems that money is pumping into many useless activities quite frequently and also rules and regulations are being reformed without any long-term plan/s by each government. More importantly, well-organised national principles should be introduced to the key sectors of the country including education, health, defence, agriculture which will not be subjected to changes according to the government change. Also, people should be employed solely based on their qualifications and experience with

Naval/Maritime hub

International trade is always important in stimulating and accelerating the economic growth of a country. With the concept of globalisation, world economy has completely become interdependent and international trade has opened up to the whole world.

“ON THE OTHER HAND, FISHERIES INDUSTRY IS THE MAJOR LIVELIHOOD OF THE PEOPLE WHO ARE LIVING IN THE COASTAL AREAS AROUND THE COUNTRY. BEING AN ISLAND, THE SRI LANKA HAS A GREAT POTENTIAL OF DEVELOPING THE FISHING INDUSTRY TO PROVIDE A CONSIDERABLE INPUT TO THE ECONOMY.”

Under this situation, water based transportation provides the cheapest and most efficient transportation service to the international trade. Being an island, the Indian Ocean has been gifted as one of the most important resources to the Sri Lanka and there are five economically invaluable harbours around the country. Therefore, maritime sector has a huge potential to give a significant contribution to the economic growth of the country in many ways. In one hand, blooming shipping industry can help to the economic development of the country by saving foreign exchange (i.e. by adding more Sri Lankan ships for foreign trades), reducing freight cost and thus promoting the country's foreign trade, reaping the benefit from profitable shipping operation, providing added employment, assuring adequate and reliable



Fig. 3: Location of the Sri Lanka to become a great maritime hub

shipping services through developing the Sri Lankan harbours as a global trade centre. Here, the geographical and natural locations of the harbours are vital to make an international economic zone within the Sri Lanka.

For example, the Trincomalee port is very invaluable to attract and link the trade between East and West while becoming a major transshipment port in the world. The Colombo harbour can be used as a container hub not only for the Sri Lankan trade but also for the South Asia due to its location and the Hambantota port can provide world class facilities particularly providing service and space for cargo freights. The location of the Galle Port is ideal for developing as a tourist destination and also as a recreational port with passenger terminals and other facilities

immigration, customs, and shopping centres while the KKS Port can be used to connect the northern and southern communities of the country.

On the other hand, fisheries industry is the major livelihood of the people who are living in the coastal areas around the country. Being an island, the Sri Lanka has a great potential of developing the fishing industry to provide a considerable input to the economy. Therefore, this is a valuable resource which can be exported as either raw or value added product to earn foreign exchange even though nobody has paid their attention yet to improve this industry into the export level by heart. Each and every prevailing government has been introducing various projects to improve fisheries industry time to time but it is a tragedy that everything has limited to the documents and only words and still the Sri Lanka imports dry fish and some value added fish products from the countries such as the Maldives.

Energy hub

Energy prices are increasing rapidly and a worldwide energy crisis has been predicted. As we all know, Sri Lanka is also experiencing a huge energy crisis currently and the recent increase of the energy prices became an issue all over the country. According to the current situation, priority should be given to solve the energy crisis within the country and then it is possible to think about selling the energy to the rest of the world if there is an excessive production. Thanks to the geographical creations, hydropower generation has become a

potential and green source of energy for the Sri Lanka. However, the hydropower generation is not solely enough to cater the full energy demand of the country and hence the government is focusing on fossil fuel based energy generation. More importantly, oil reserves have been discovered in the Indian Ocean near by Sri Lankan coastal area which would open country for new economic opportunities including cheap power generation. If these reserves exist, plans should be made to dig and refine the fossil fuel effectively and economically. Another fact is that this is a time of which whole world is focusing on green energy sources as a solution for the global warming problem. Therefore, it is highly important to focus particularly on green energy sources such as geothermal, wave, wind, bio-gas and solar energy generation together with the hydropower rather than focusing only on fossil fuel based energy generation. It is a good trend that the prevailing government has made an initiative on developing both wind and solar energy plants in the Hambantota district and these should be extended to the rest of the country.

Furthermore, there are a few possibilities to produce the energy based on the Ocean (e.g. by using the waves) and these are already using in some of the countries such Japan. Being an island, Sri Lanka has a great potential of implementing power generation techniques based on the Indian Ocean. Another possibility is to move into the nuclear power generation and most of the developed countries currently using this as a power generation technique.



Here, the effects are quite significant if any failure of a plant occurs and hence plants should be installed only with the advanced technology by making all the possible precautions to minimize the harm that can occur if a failure occurs.

Aviation hub

Having good air transportation is a key requirement for a development of a country. In this case also, Sri Lanka can have comparative advantages from its geographical location particularly connecting a numerous countries quite easily as shown in Fig. 3. In the Sri Lanka, now we have two major airports including recently opened Maththala International Airport and two airlines are in operation based on these airports: Sri Lankan and Mihin Lanka.

would like to directly travel from their countries. Otherwise, they can take a flight from Colombo to Central province.

However, the new airport will be useful in future and also the government will think about building a few new airports around the country although it is not a primary requirement at this occasion. Moreover, it is a well-known fact that both of our major airlines are currently operating at a huge loss. Therefore, the first thing, the government must do, they should take necessary actions to restore these two airlines to be profitable services while providing a good service to the international airlines who are flying to our airports. Once our airlines are restored, we can think about the required future development to accomplish our dream to be a major aviation hub in the South Asia.

transportation network (land, water, air), communication, energy, etc. It is good to see that the road network of the country has been developed by the present government and hence people can travel around the country quite comfortably and quickly.

On the other hand, a country should be economically strong and stable to be a commercial hub by taking competitive advantages over its neighbours and the rest of the world. Investors are reluctant to move their businesses into the poor and economically/politically unstable countries. As we can see, the Sri Lankan economy is not in a strong position currently. Moreover, it is doubtful that the government is providing enough supports and motives to investors who are already in the production and



Fig. 4-a: A wind farm in Hambantota



Fig. 4-b: Solar power plant in Barutha Kanda, Hambantota



Fig. 4-c: Victoria hydroelectric dam

The combined fleet of both of these airlines includes only about 15 flights which are not required enough to be an aviation hub in the South Asia. In my opinion, the new airport should have been built in the north central province around our world famous historic cities. As these cities are among the major tourists attractions of the Sri Lanka, at least there will be tourists who

Commercial hub

Geographically, Sri Lanka is situated in a location which can potentially help to be an effective commercial hub. However, only being located in a strategic location, a country cannot be a good commercial centre/hub. Additionally, it should have good infrastructure supporting to the businesses particularly such as a good

service sectors. Currently, there is a huge tax burden on the head of all people of the country and hence the majority of small and medium scale businesses are in a highly challenging situation to run smoothly while achieving their expected profit margins. Moreover, Sri Lanka was in the 81st place of the 'ease of doing business index' in the year 2011 where the



Fig. 5-a: Bandaranayake International Airport in Katunayaka



Fig. 5-b: Rajapaksa International Airport in Maththala

was in the 1st place. This is an index created by the World Bank and higher rankings indicate better, usually simpler, regulations for businesses and stronger protections of property rights. This implies that the government has much to do before becoming a strong commercial hub in the South Asia.

As we all know, Sri Lanka is a country which based on an agricultural economy from the past. Our land and climate greatly support to cultivate crops such as tea, rubber, paddy, coconut and spices; and we were world famous for exporting these products. Additionally, the country has a good potential in attracting incomes from tourism, minerals, crafts, etc. In this year, Sri Lanka has been named as the second cheapest tourist destination of the world after the Spain. Geographical location of the country is a key to become one of the famous tourist attractions of the world and hence the government should have a well-organized plan to obtain the comparative advantages from the strategic location of the country. Therefore, the government should focus their attention in developing the Sri Lankan economy around the agriculture and other potential sectors that we are good at. Likewise, local companies who have a capability in providing products and services to the country and rest of the world should be provided with a strong support to become the world leaders in their businesses/services. For example, a company like Micro Cars is a very important as they can produce vehicles for the country needs and at some point they will be able to export their production. Therefore, such companies should be protected by the government while motivating new companies to enter to the market.

Where to start?

I believe, the best approach is that the government can initiate with a programme that can effectively utilize the human resources of the country to develop the so-called knowledge hub. As our small country is blessed with a large number of educated people this will be an easy and straight forward step to start with. If the government can

provide the real place for the well-qualified and educated people, it is not that difficult to make our country to be a knowledge hub in the South Asia. There is no point of inviting the people who are working abroad to come back to the country as was done by the president few months ago and nobody will accept this as they do not see any strong reason/motivation to come back. I am sure that most of the well-educated people who are working abroad will come back to the country even with no an invitation, if the government launches a genuine and effective programme to uplift the country's education while properly acknowledging the contribution of the related parties. Once, a country enriches with intelligent and educated people, the society will become more pleasant, moralistic and dedicated. Once the society becomes strong in good attitudes, practices and norms it would not be that difficult to lead a country towards the development.

Secondly, or while enriching the education of the country, the government can think about developing the production and services to build up a strong and self-sustained economy. Simultaneously, necessary steps should be taken to reinstate energy, navel and aviation sectors to make profits. Here, the most important fact is that 'first the country must try to stand alone by itself'. If we are strong enough, other countries will automatically demand our support in sectors such as education, energy, aviation, navel, health, commercial, etc. We hope and wish that the current government will be able to accomplish the dream to be the 'Miracle of the South Asia'. If the government is doing the right things in the right way we are up for supporting this journey, and I hope that all the Sri Lankan will do.

By:
Dr. Chamil Abeykoon
ACPM00240

PhD [UK], BSc Eng (Hons) [Sri Lanka],
AMIMEchE, AMIESL, ACPM

Mrs. Chamila H. Dasanayaka

MSc [UK], BSc B. Admin. (Hons) [Sri Lanka]



Geographically, Sri Lanka is situated in a location which can potentially help to be an effective commercial hub.



SRI LANKA

Can we be the Knowledge Hub in Asia?

With Globalization that we all are experiencing today, and with all the changes which it make in the environmental, political, technological, social and cultural aspects of every corner of the country, we are today playing in a flat world, where the competition is global and has no boundaries. With no demarcation when it comes to production or consumption, the country is today compelled to embark on knowledge based production, which has been facilitated by the endless open sourcing, in – sourcing and knowledge sharing. The extremely low transaction costs of data, information and knowledge seem to invalidate the theory of agglomeration and the spatial clustering of firms, going back to the classical work by Alfred Weber (1868-1958) and Alfred Marshall (1842-1924), who emphasized the microeconomic benefits of industrial collocation.

Despite this compelling theoretical argument, the empirical evidence

shows us that industries well versed with ICT, still tend to cluster via outsourcing, in – sourcing, and corporation via internet to create agglomeration in industries. This indicated that today's enterprises do not want to stand alone in the aspects of knowledge. According to Evers (2008) proximity increases a company's innovative capacity when firms can share ideas, products, and services. Examples are the Silicon Valley, the Hyderabad IT cluster, the Munich high-tech zone and the ABC (Aachen-Bonn-Cologne) cluster in Germany, the MSC in Malaysia, Biopolis and adjacent areas in Singapore and many others. In other words this could be referred to as a systematic sharing and providing of development knowledge and experience. The power and the developmental impact of such knowledge sharing could be immense. There is considerable scope in developing Sri Lanka as a centre for systemizing, packaging and scaling up such exchange of knowledge, sharing them and brokering them.

Globalization theorists, like Saskia Sassen (Sassen 1991) have proclaimed the existence of a "global city", consisting of CBDs (central business districts) in major cities worldwide, amalgamated into a huge global city welded together by intense electronic communication, sharing a common language and a common corporate culture of a capitalist world economy. Sri Lanka with a vision of turning into a business hub in Asia, should thrive towards being a knowledge hub, since it has now been identified that knowledge as a basic, and essential factor of production. For the globalized firms looking forward to minimize their research and

development costs, looking for a convenient location of sharing knowledge, thus they could be globally competitive; Sri Lanka would be an ideal solution. As a country where the local policy on HRM (Human Resource Management) is looking forward to upgrade it's Human Capital (National Human Resource and Employment Policy) this could be the ultimate goal. According to the senior Minister of Human Resources D E W Gunasekara at the time of publication of the policy "it would be a guide for the Government in building (up) the country as a hub for Human resources"

Concept of "Knowledge Hubs"

This term may be relatively new to Sri Lanka, so let me take one small attempt to define same. This is an organization / country where they are dedicated to share and exchange development experience from partners from all over the world. This acts as a connector bridge between international and local development knowledge. In other words, knowledge hub contributes towards making the development knowledge available to all partner countries, generating, transferring and transmitting knowledge.

In other words

"Knowledge hubs are local innovation systems that are nodes in networks of knowledge production and knowledge sharing. They are characterized by high connectedness and high internal and external networking and knowledge sharing capabilities. As meeting points of communities of knowledge and interest, knowledge hubs fulfill three major functions: to generate knowledge, to transfer knowledge to sites of application; and to transmit knowledge



to other people through education and training”(Pradhan 2012)

Do we see any examples of knowledge hubs in the world? In countries such as Brazil, China, Indonesia, Mexico, Singapore and South Africa there is prominence given to this concept.

- Mexico launched AMEXCID, the new development cooperation agency. AMEXCID is now bringing together 27 existing in-country knowledge hubs who have already been sharing their specialized expertise in 14 thematic different areas.
- In Singapore, Singapore Cooperation Enterprise, SCE, which acts as the single point of access, not only to the expertise from all government branches, but also to highly-specialized private companies
- Indonesia, a country historically very committed to and active in the South-South agenda. The 4 different ministries that are deeply involved in knowledge exchange are now streamlining their efforts, through a coordination team, to implement the “Grand Design” which is a long-term strategy for South-South Cooperation

The Importance

Sri Lanka, embarked on its rapid journey of development, is looking forward to materializing the country as a centre of economic development in the region as well as in the world. As discussed previously the country has

also launched a new National Human Resource and Environmental Policy (NHREP) in November 2012, which aims to upgrade the country’s human capital in order to facilitate the transformation of the nation as a Knowledge hub. Given the knowledge based production environment, for the country to develop as a centre of trade, it is of paramount importance for the country to be a hub of learning. In an environment where distance is not an important aspect of conducting business, and the global production networks have been emerged with outsourcing, just-in-time production, high-level manpower migration (Fallick, Fleischman and Rebitzer 2006) and global “head hunting” for managers and administrators, Sri Lanka will not be able to make its presence prominent by ignoring the aspects of knowledge development.

Are there any real life examples to the importance of acquiring and sharing knowledge?

- On January 12, 2010, the massive earthquake struck in Haiti. It provided a crippling blow to the garment industry, responsible for 88 percent of Haitian exports and the country’s largest source of employment. While aid was being sent to Haiti from aid donors, Haitian policymakers also wanted knowledge and experience on how to reconstruct their garment industry. So Haitian policy makers and representatives of the garment industry turned to Brazil and Korea, who are well known for the competitiveness of their garment sectors, to learn from them. Through a multi donor facility, the Haitians learnt from Brazil and Korea about policies to increase garment exports, and integrate the Haitian garment sector into international supply chains. But, in addition, it helped promote Haiti as an investment destination

and generated leads for potential buyers and investors in its garment sector. Five Korean firms invested in Haitian garment production facilities following the exchange, which immediately created new jobs.

- Or take one other example. India’s successful “white revolution”, where in two decades time, the country managed to dramatically increase milk production. A few years ago, Uganda and Tanzania were struggling with similar inefficiencies as India 20 years ago. Through field visits to India and expert visits from India, Uganda and Tanzania learned very practical, relevant techniques to improve production and the supply chain. They also adopted Indian technology, which was much more adaptable and relevant than the European technology they had seen so far. These techniques and technologies were partially responsible for helping Uganda to boost its milk production. But also India benefitted. As a direct result of the exchange Indian companies have exported equipment to Uganda. And India’s expert recommendations from this exchange, have informed the design of two World Bank projects. The Indian model is being spread through World Bank financing.

According to the well known study done by Michael Porter (2000;1990) with regard to “The Competitive Advantage of Nations” in the theory “Diamond of Advantages” the following elements have been noted:

- Factor conditions – a region’s endowment of factors of production, including human, physical, knowledge, capital resources, and infrastructure, which make it more conducive to success in industry
- Demand conditions – the nature of home demand for a given product or service, which can pressure local firms to innovate faster

- Related and supporting industries – networks of buyers and suppliers transacting in close proximity to foster active information exchange, collective learning, and supply-chain innovation
- Firm strategy, structure, and rivalry – a climate that combines both intense competition among localized producers, with cooperation and collective action
- Shared needs - making it fertile for innovation and regional competitive advantage

In perusing the above, it could be noted that by turning the country to a knowledge hub, most of the above advantages could be achieved. Apart from the fact that the development factors of the region, which are going to be transferred through the conducive environment created within the country is going to benefit the local industries. The open economical environment would create greater competition and more advantages thus paving way for the development of the local organizations.

What do we need “to do?”

In order to archive the objective of turning Sri Lanka into a knowledge hub, the country needs to do a positive transformation of the country's education system. It is important that the whole system of education being analyzed and upgraded, so the required form of human capital could be developed through the system. The number of researchers undertaken

within the country is to be increased and the human capital with an academic background is to be utilized fully for the development of the country. They need to be more focused on developing technologies and capturing and transforming the technologies transferred for the development of the country.

It is important to understand that by identifying industries which has a growth potential, and areas where we can earn and enjoy competitive advantage over other countries, the power and development impact which could be brought in by knowledge exchanges. The government has already taken the first steps in this conversion by establishing institutions like Sri Lanka Institute of Nanotechnology and some state of the art laboratories. Sri Lanka as a country which is gifted with a high rate of bio diversity makes it a highly viable location to carry out much research and development work in many areas. It is important to focus on areas which we have not yet explore the growth potential, like rubber and silicon, and employ capable Human Capital in a methodical way in order to reap benefits carries out in the specific areas. The existing knowledge could be shared, and by creating a sharing environment, any duplicate efforts made on researching technology which is being already tested somewhere else in the world could be avoided, thus saving money and time for the country. Repeated researches on same area would not gain any competitive advantage to the relevant industries.

Another area which we need to focus on is managing the total value chain of the industries concern. With a special emphasis on ICT technology, the country will have to capitalize on more areas which would give a value addition to each and every step of the value chain for any industry which seeks a local contribution. By developing more human resource capabilities we would be able to make this value addition cheaper and more competitive in the region, thus attracting more foreign investment to the country. We need to focus on capacity building, concentrating on building labs conforming to international standards, and to identify the most potential areas for development and start research on them.

In developing the country to a successful and sustainable knowledge hub the following areas are to be concentrated on:

- First, knowledge hubs require a strong political narrative which makes it attractive for policy-makers and parliamentarians to invest resources in the process of institutionalizing knowledge exchange. As for an example In Mexico, this has happened through the new Cooperation Law which created the AMEXCID as a key channel for Mexico's ambitions with development cooperation. In Singapore, the whole public sector is involved in knowledge exchange through SCE. So political leadership and commitment is critical, which has already been initiated in Sri Lanka, and requires further development.
- Second, the viability of a knowledge hub depends on how well it coordinates within the country, so that it is well linked to other national actors who actually own and can share development expertise. Here, Indonesia has made a great leap forward with the Grand Design and in particular the work of the Coordinating Team which brings together the Big Four of Indonesia's long-



standing South-South cooperation (State Secretariat, Foreign Affairs, Development Planning, and Finance). For its part, the Singaporean SCE acts as a "government network" convening the experience of all 15 ministries and 66 statutory boards of Singapore's public sector, as well as a large number of private sector companies. In Mexico, the Secretariat of Social Development SEDESOL works hand-in-hand with AMEXCID, but also connects to relevant national stakeholders from academia and private sector. The key value of coordination is to identify package and connect the best development solutions and expertise

- Finally, funding is a fundamental ingredient for building sustainable knowledge hubs. Here, a range of business models is emerging across countries. Indonesia has its own Budget allocations, which provides long-term and predictable funding for knowledge exchange. Mexico has been able to mobilize private sector, both financially and for specialized expertise. Singapore is a pioneer in using flexible co-financing, with pricing schemes that are adaptable to what partners, or clients, are able to pay.

In considering the above challenges, it could be identified that the last requirement, funding, could be a real challenge to Sri Lanka as a developing country who is struggling for capital funds in the development process. Mobilization private sector funds is not an easy option for Sri Lanka, since we have an under developed capital market where a limited amount of companies (approximately 280) are listed and the market is dominated by few key players. This leaves us with the option of funding the knowledge development requirement with funds from organizations like the World Bank, IMF etc. The country would have to carefully evaluate the pros and cons of these funding options, since the creation and reaping benefits out from the knowledge could be a long term investment for the country.

Conclusion

Sri Lanka has embarked on the journey of converting the country to a knowledge hub. But certainly there is more we can do. We as a country need to focus on this journey, and systematically take required steps in order to achieve this objective. We might not be able to develop a fully fledged knowledge hub in the short run, but through letting this be a rich knowledge exchange the foundation of

a community of practitioners that can carry forward in the years to come—in a new way, through developing country-led knowledge hubs that can systematically share developing experiences among peers. If we get this concept correct, it would be a lasting contribution to development and turn the country to a "Global City".

"Knowledge hubs are local innovation systems that are nodes in networks of knowledge production and knowledge sharing. They are characterized by high connectedness and high internal and external networking and knowledge sharing capabilities."



Ms. G.N. Dahanayake
ACPM00587





Sri Lanka is an Aviation Hub in the Region

Preamble

Today our blue sky is free from jet-to-jet 'dogfights', air raids and fireworks and surface-to-air missile attacks and threats from terrorists. The sky is clear to fully expand the wings. Celebrating 100 years in flying high Sri Lankan aviation is reaching a new elevation. Today, the focus is on making the island Asia's aviation hub by utilizing its strategic geographical location by 2015 through Mahinda Chinthana – Idiri Dakma.

Historical Evolution

Legend and folklore also says that King Ravana's time Sri Lanka had air transportation and But according to the written history Sri Lanka has got interested in aviation just nine years after the initial flight by Wright brothers. Sri Lanka has come a long way since its first airport at Ratmalana came into operation on 27 November 1935. Since 1946 the civil aviation field started growing gradually. The first Minister responsible for Civil Aviation was Sir John Kothalawala. The Bandaranaike International Airport (BIA) commenced operations in 1963, but received international status in 1968.

The current passenger capacity at BIA has reached seven million passengers recording an increase of 11% in 2012. We will need to increase the passenger capacity if we are to become an Aviation Hub. We need to provide more facilities and comforts to passengers to encourage them to fly to Colombo. We are planning to construct another terminal so that this capacity can be increased to ten million by 2015.

Second International Airport at Mattala?

Many of the eastern air routes are over Mattala therefore it will be much easier for airlines to plan their flights to Mattala, which will be much faster. In and around Hambantota is a tourist destination where there are many attractions. It is a very central location as it takes only about three to four hours to major tourist destinations. The eradicating poverty from the region, enhance the economic activities in the region, create more and more employment opportunities to upshift the standards of living in the region, improve regional infrastructure are among the project goals.

There is a demand for airlines who are currently flying to Colombo to increase their frequencies. The additional frequencies can be directed to Hambantota and many airlines are willing to do so. Then there will be charter flights, which can be directed to HIA. In such ways there is a huge potential. 37 percent of those who are employed abroad are from the southern province, especially those working in the Middle East. In future, they will not have to travel to Colombo, they will be able to fly out of Hambantota.

The new international airport is expected to expand the local aviation industry whilst being a catalyst for the country's



economic development enabling international trade, tourism and employment by spending US\$209 million for its first phase. It is also being implemented as an eco-friendly project the total land area is 2000 hectares. However Mattala Rajapaksha International Airport (MRIA) will also be the only available 3500 metres long run way which is 75 metres wide that could land the world's largest airbus- A380. A modern passenger terminal comprising two aerobridges will also come up at the new airport, which is expected to cater to one million passengers annually. After completion of its second phase, the Mattala international airport will handle five million passengers. It is not only Hambantota that will benefit but also the bordering districts.

There will be direct and indirect job opportunities created. The airport will create opportunities in agriculture; the farmers of the area can grow fruits and vegetables which they will be able to export, then fishermen can export their fish. At the moment perishable cargo/goods are very important and there is a large Middle Eastern market and huge demand for this segment. Therefore, minimum-handling time is of utmost importance. HIA will benefit the tourism industry due to its close proximity to the East coast and Uva Province, therefore it is not only Hambantota but the entire country will benefit from the airport. An airport cannot exist in isolation therefore, a tax free industrial zone will be established as well as other aviation related industries such as aircraft painting, repair shops, aircraft maintenance areas and flying academies and also, of course, hotels and related infrastructure in the leisure sector will be encouraged to come to Hambantota.

While being connected to the hospitality and tourism industries, the airport would handle aircraft painting and host flying schools. Work on the construction of an aviation-fuel terminal with a capacity of three million litres is already underway at Mattala. Energy experts believe that Sri Lanka has huge potential for becoming a global player in aviation-fuel operations after the terminal is completed. It is also equipped with facilities to store live animals, dangerous goods, temperature regulated goods, customs and quarantine cargo, with special provisions for valuable cargo, weighing facility up to 15,000 kgs and screening machines.

Future challenge

The expanded transit area at Bandaranaike International Airport has added a 1,000 square feet to the airport, which is expected to be completed this year, is to make Katunayake an airport city. Once all development projects are completed at both BIA & MRJA, Sri Lanka's International Airports will have the capacity of handling 21 million passengers annually.

Mihin Lanka is continuously reporting an operating loss of Rs. 1 Billion to the public in 2012 compared to operating loss of Rs. 455 Mn reported in 2011 by being white elephant to the government.

The airport will be linked to a showcase shopping mall by an overhead bridge. The shopping mall will showcase the finest of our apparel industry as we produce the best garments. This will give tourists the opportunity to purchase these items, when certain segments

especially the Indian market comes to Sri Lanka for shopping. Since a transit hotel is essential to make the country an aviation hub, a hotel with 300 rooms will be built for this purpose. Even at the current transit hotel we have a conference room because of the demand for such facilities as many meetings are held among regional corporates. The new hotel while including conference and convention facilities will also have entertainment centers as well.

Sri Lanka to become Aviation Hub connectivity both internationally and locally is of utmost importance. Now since there is an increase in tourist arrivals we are looking at expanding our domestic airports. Currently only the Sri Lanka Air Force is functioning at these locations. Therefore Airport and Aviation will look at introducing commercial flights. Currently we are looking at Palali, Trincomalee, Anuradhapura, Ratmalana, Ampara and also Sigiriya to expand our domestic airport capacity. We have a total of 13 domestic airports.

We have to have trained staff, especially the frontline staff and made them understand that the initial point of contact is very important. Frontline staff members are being trained to speak other foreign languages such as French, German, Hindi, Chinese and other such languages. We have set our benchmark as Changi airport, Singapore and we want to ensure that the passengers comfort comes first.

The negative point in aviation is its pollution factor. For every kilogram of fuel burning we are adding about 3.2 kilograms of carbon dioxide to the environment. When conventional fuel is

used - i.e. fossil fuel - carbon dioxide contribution will continue. Hence the world has turned towards using bio-fuel. The sustainable eco-friendly aviation is real challenge.

Conclusion

Hubs cannot be decreed into existence. They emerge because the economics are right. They disappear when the economics are wrong. In the 1950s and 1960s, Singaporeans came to Colombo to connect to flights to Europe. Since the 1970s, we have been going to Singapore to connect to flights.

The rise of Singapore was based on massive investment, good regulation and public-private partnerships. The Rajiv Gandhi International Airport in Hyderabad, now ranked one of world's best, underlines the need for reforms in the management of both the Bandaranaike International Airport (BIA) and Mattala Rajapaksa International Airport (MRJA). While the physical infrastructure has been upgraded in the past few years, the organization is now showing the ill effects of abuse of power for political and venal purposes and the creeping recolonisation by government mindsets. If Sri Lanka is to rise again, we will need a laser-like focus on the increasing investment through public-private partnerships and in creating a modern regulatory regime for airport and aviation services that will facilitate investment and efficiency in a sustainable manner without wasting public resources.



Prasanna Dharmasiri
ACPM00680

B.Sc(Mgt.) Sp., MAAT, CBA, ACPM

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