

Features

Mr. Sinnathamby Vijayapala

Broadbasing of	
Professional	
Education	
in Sri Lanka	
Prof. Lakshman Watawala	
Management Determinants of capital	20
Determinants of Capital	0
Social Practice: Relavance to Insurance	
EVIDENCE FROM Industry Mr. H. T. Dhammika	
. SRI LANKA	
Prof. K.B. Mangala Fonseka Supply Chain Dominence	20
Through "Six Sigma" Application & Valude	رو
18 Energy Management - Application & Valude Chain Enhancement	
Mr. A.Hasintha S. Pemerath	ına
Importance of the right Institute's News	44
Dr. Ranjan Madanayake	
	40
New CPM Memberships Awarded During April to September 2014	49
Stress Management During April to September 2014	

REDEFINING HR FOR BOOSTING PERFORMANCE



Programmes Offered by IPM:

Duration

Programme in Career Guidance and Development (PCGD)	1 1/2 Months
Foundation Course in Human Resource Management (FCHRM)	2 Months
Certificate Course in Human Resource Management (CCHRM)	3 Months
Professional Qualification in Human Resource Management (PQHRM)	2 Years
National Diploma in Training & Human Resource Development (NDTHRD)	1 Year (Plus three months for the project report)
Workshops & Seminars / Consultancy Services	

Institute of Personnel Management Sri Lanka (Inc.)

(Incorporated by Act of Parliament No. 24 of 1976)

HR HOUSE, No.43, Vijaya Kumaranathunga Mawatha, Colombo 05. Tel: 011 2199988, 011 2768278, 011 2809902 Fax: 011 2199939

Email: bschool@ipmlk.org Web: www.ipmlk.org

Mertified Manager

Message from Chairman Journal Committee



Tam indeed happy to present the CPM official Journal "Certified Manager"03rd Issue 2014 (Volume 03) in this high standard and quality, put together by the team effort of the CPM Journal Committee.

The objective of this journal is to provide necessary insight on how to address the challenges faced by management on designing and introducing innovative products, services or carrying out inter-organizational transactions, as well as identify innovative developments and changes in the role of management.

It is wonderfully rewarding to observe that many of the members continue to show a keen interest in education and professional development, which helped us to create this publication successfully. We expect similar interest and feedback from our valued members and readers, which will undoubtedly help us to publish the next Journal with more constructive ideas.

It is also my wish to express my sincere and whole-hearted gratitude to authors of articles, organizations providing advertisements, members of the committee, staff of CPM, editorial panel and those who contributed to finalizing the journal in a professional manner.

T. Someswaran
Chairman - Journal Committee

Editorial Consultants



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



Dr. Ranjan Madanayake
Fellow Member of CPM
Managing Director, Phoenix Business School
Colombo 03.
FCPM00127



Mr. Upali Ratnayake
Fellow Member of CPM
Consultant - Employer Recognition
CMA Sri Lanka.
FCPM00045

CPM Journal Committee









meswaran Mr. Lai Jayaw hman Allennele Ch

Jayawardena Mr. Adria ele Chelmon FCPM PM00006

r. Adrian Perera FCPM0008

Tharanga Thilakasiri MCPM00430









PM000756

s. Keshani Robanadeora Mr MCPM005/7

Ar Prasanna Dharma Ar Pwinsan

ME.M.Z.M. Astr MCPMOUT/6







Mr. Indraka Ulyana FCPM00202

Ar. Dilshan Arsakularathna



Institute of Certified

Vision

To achieve excellence in Professional Management and be the leading organization for Professional Managers in Sri Lanka.

Mission

To promote the highest standards in Professional Management through excellence in ethics, governance and innovation.

Objectives

To innovate, lead and sustain quality in Professional Management through integrity and accountability.

To facilitate networking and knowledge sharing among professionals at a national and international level.

To promote the study of management and to encourage research into the best means and methods of applying the principles and techniques of management.

Promoting Best Practice

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

CPM is a joint project initiated by CMA Sri Lanka and All India Management Association (AIMA). It is an active member of the Association of Management Development Institutions in South Asia (AMDISA).

CPM has also signed an MOU with the Malaysian Institute of Management (MIM) to facilitate professional development, knowledge exchange and capacity building in order to develop competent management professionals in Sri Lanka.

Membership in CPM is open to individuals seeking to develop their professional skills and pursue management careers in industrial, business, service sectors or the public sector.



Patrons

Hon. Karu Jayasuriya

- FCPM, Member of Parliament Prof. Gunapala Nanayakkara - FCPM, BPA (Spcl.)(Vidyo) 1970,

MPA(York) 0976, Ph.D(Carleton)

1980, D.Lit (Sab) 2005 Mr. Edgar Gunathunga - FCPM, Former Chairman,

Samnath Bank PLC.

CPM Governing Council

Prof. Lakshman R., Watawala - FCPM, FCMA, FCA, FCMA, CGMA (UK) President

Mr. M.B. Ismail

- FCPM, FCMA, ACA

Treasurer

Mr. S.E. Satarasinghe - FCPM, FCMA, FCA, B.Sc. - FCPM, FCMA, FCA

Mr. T. Someswaran Mr. Priantha Seresinhe Mr. Asoka Hettigoda

- FCPM - FCPM, B,Sc., MBA

Mr. Prema Cooray Mr. Kosala M. Dissanayake

- FCPM, ACMA, HCIMA, MBA - FCPM, FCA, FCMA

CPM Advisory Council

Mr. Mahendra J.C. Amarasuriya - FCPM, B.Sc.

Mr. Moksevi Rasingh Prelis

FCPM, B.Sc. (Eng.), SURHBS(USA), FIESL, FIM(SL), Director-Dialog Telekom Plc.

Mr. Javampathy Bandaranavake - FCPM, LLB, FCIS, FCIM, Former

Chairman-Ceylon Chamber of Commerce & Chairman-Ceylon Toharro ro. Plr.

Dr. Anura Ekanayake

FCPM, Former Chairman-Cevlon Chamber of Commerce. Management Consultant.

Deshamanya,

Eng., Dr. Nihal Jinasena

- FCPM, D. Tech(H.C.), B. Tech(Eng.), D.L.C. (Hons), C.Eng. F.I.E.S.L. FIMECHE, Managing Director-

Jinasena Ltd.

Mr. D. Eassuwaran

- FCPM, B.Com., Chairman Fassingaran Rmthers Ltd.

Message from the President of CPM

Twish to congratulate the Journal Committee for publication, "Certified Manager" journal meant to expand the knowledge of members and management professionals



To improve the quality of services, we recently introduced the Membership Card, which provides recognition to our members. We are in the process of negotiating with number of business firms to provide concessions and other benefits to our members.

CPM recently launched its website of www.cpmsrilanka.lk at the last AGM, which will provide technical updates, online payment facilities and enabling members to keep in touch with the latest developments in the global management profession.

Management Education will undoubtedly help both the public & private sectors and improve the efficiency and productivity of their organisations. Many more colleges are conduct at both undergraduate & postgraduate level courses to meet our current needs of management professionals.

I 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 contributions which made the publication of "Certified Manager" a reality.

> Prof. Lakshman R. Watawala President - CPM

Professional Managers

Privileges and Benefits of CPM Member-MCPM Membership

- You can use the Membership Symbolic initials with your name (ACPM / MCPM / FCPM)
- Your Name, Photograph, Designation, Address and Membership Directory
- You will receive the Members' Journal published twice a year free of charge
- organized by CPM & CMA at concessionary rates
- You can serve as a Member of various Committees of

Category of Memberships

Associate - ACPM

Any person holding full or part professional qualification with a minimum of 03 years of recognized experience in industry or commerce is eligible to apply for membership as Associate of Certified Professional Manager (ACPM). This grade of membership is applicable to Junior and Middle Level Managers and Executives.

Any person holding a Degree or full professional qualification with a minimum of 08 years of recognized managerial experience can be awarded the Member of Certified Professional Manager (MCPM). This grade of membership is applicable to Senior Managers and Senior Executives.

Fellow - FCPM

Contact Phone numbers will be included in the CPM Any person holding a Degree and full professional qualification with a minimum of 18 years of recognized top senior managerial experience can be awarded the Fellow Member of Certified Professional Manager (FCPM).

You can participate in Conferences and other events This grade of membership is applicable to those in Top Senior Management services as CEO's, MD's, Directors and Chairman of Organizations and those with over 10 years Senior Managerial experience after MCPM and employed in a Senior Management position with significant contribution to Management Practices while in employment, practice, board directorates, research, faculty contribution, participation of CPM activities, submission of a thesis, Continuing Professional Development (CPD) will be awarded the Fellowship following an interview and designated Fellow Certified Professional Manager (FCPM).

> For more information, please contact; Institute of Certified Professional Managers No.29/24, Visakha Lane, Colombo 04. Tel: 2590995(Direct), 2506891 (Ext:188)

Institutional Member of



Sponsor



Professional Partners







Welcome to Tomorrow's Health Care





Control Your Diabetes For Life

"SERENE"
DIABETES CENTRE



Something On

NAWALOKA FERTILITY CENTRE



Nawaloka Heart Centre

NAWALOKA HEART CENTRE



HI IAM YOUR

TAKE CARE OF ME I WILL TAKE CARE OF YOU

CENTRE FOR LIVER DISEASE



Decide on a health check today Tommorrow may be too late!

SERENE HEALTH SCREEN CENTRE



Hope for those with severe obesity

SERENE CENTRE FOR WEIGHT MANAGEMENT SURGERY



Love... Protect... Immunize...

Vaccination Prevents disease

PAEDIATRIC IMMUNIZATION UNIT



it's time to look after your self

SERENE BREAST CANCER SCREENING UNIT



NAWALOKA HOSPITALS PLC

Fax : 0112 430 393 Email : nawaloka@slt.lk Web : www.nawaloka.com

Hotline: 0115 577 111













Broad basing of Professional Education in Sri Lanka



Introduction:

ducation is no doubt one of the key pillars of social development for a country, but the higher and professional education is also one that cannot be ignored since it from where skilled human resources come out from to service the nation's economy.

However to produce the necessary human resources fulfilling the requirements of diverse sectors is currently a challenge in the country due to the limited number of seats available in universities.

Sri Lanka has 15 universities, all of which are public institutions. Other institutions of higher education include medical schools, engineering schools, schools of law, and technical and vocational training schools and National Colleges of Education.

Admission at undergraduate level to these public universities are based solely on the results of the G.C.E. (A/L) Examination and the Z-score, which considers the difficulty level of the subjects. Due to restricted facilities admissions have become extremely competitive. Only 6% of the students who sit the examination

are admitted to the universities.

Combined with the fact that those who take the British examinations are not permitted to apply for admission, resulting in an increasing number of students are looking for opportunities abroad and among private institutions for continuing their higher studies.

It is for this reason that institutions offering professional qualifications have an essential role to play, as they are the key element that will help fill the gap of local universities and increase the number of qualified people fit for employment in the country.

In an interview with the CPM Journal, CPM President Prof. Lakshman R. Watawala discussed at length the status of the education system, measures to be taken for improvement and the way forward.

Following are the excerpts of the interview:

What is your view on the education system of Sri Lanka?

Focusing on higher education, after A/L a good proportion of students look to get into university, it is their first ambition. However, when looking at the current university system only a small segment of this group can gain entry since there are limited amounts of seats.

This is one of the major problems we face in the education system of our country and is in a way responsible in drawing back the higher education sector. This is because today most of the countries take the degree as the basic qualification even to a professional program. In this context we are at a still.

We talk greatly about our literacy rates, this is not something we should be talking about at the moment since it was achieved long ago. Instead we should be talking about the skills and the university education a student can get. These are the two areas that we need to look into.



What measures can be taken to allow more students to have access to a degree program?

Foreign universities can be brought in, but we need to look at two aspects. One is its link with a recognised university and the other is the affordability. Only 15% would be able to afford a foreign degree.

The other is to link local universities to well performing institutions, but this has to be done in an efficient and transparent manner. It is imperative to have a tight monitoring system of the standards introduced. If that is not maintained then you will find that the system will not really work.

It is best that we look at a system that is successful in the higher education industry. The Indian system in this regard is an eye opener for us. The Delhi University for example has about 150 colleges affiliated to it. These colleges offer the same qualification, programs and exams as the university. This is one way we can solve our issue of giving the opportunity to more students to have a degree.

What are the possible difficulties that could arise when establishing local university affiliated colleges?

The main issue will be getting the lecturers and we need to ensure that the quality is maintained. The current lecturing panel of the universities could think of a visiting or part time system where they can fill the gap. A method similar to the private practice of the doctors.

My suggestion is to try it out for one particular field, such as Commerce. It would not be advisable to implement outright this system to all the fields. Once success is shown in the pilot program it can be extended. I say this because for areas such as medicine and engineering the facilities may not be available, but in the case of commerce there is hardly any facilities involved.

The Government should not give up and must try this measure out at least at an experimental basis. This can be easily done since Sri Lanka already has a number of private colleges that are performing quite well in their respective areas.



What is the status of the professional education system?

With the current limitation of the universities the institutions offering professional qualifications seem to be at an advantage. Since after A/Ls there are a large number of students left out who have no path to follow and they prefer to pursue a profession qualification that would allow them to be employable.

The advantage for the students is that most of the professional courses do not have any restriction on the intake and the number to be registered. It is a preferred option since the students can enrol with the basic qualification and sit for their exams.

However, although the institutions register a large number of students, the number completing the program is less. The pass rates are very low. In the university system approximately 99% will come out with a degree but that is not the case for the professional qualification.

The reasons for this should to be looked into. It could be that since they can get in with just a basic qualification, the students find it difficult to cope with the curriculum, thus eventually drop out.

In that case has institutions have looked at increasing the qualification requirement for entry?

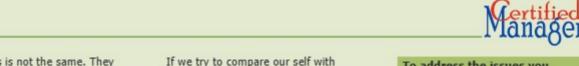
We could, but then again only a few have degrees. Majority of the countries around the world look at the degree as the basic qualification, in Sri Lanka it is the A/L, or sometimes even O/L where then the students will have to later go through a foundation program. So if we make the degree as a requirement for entry, the numbers coming into private institutions will drop.

But doing so will certainly have its advantages since the students will be able to understand and grasp better some of syllabus and study materials.

What are the issues you observe in the professional qualification space and in what areas?

If you take the accounting qualification, it is observed that they are able to do well in calculations but in theory they struggle. They are unable to express themselves or write a proper report. This is a very weak characteristic in most of the students. I think this is an area that needs to be improved.

The other important area is on the practical training. There should be proper places where they can gain experience since we find that the quality of training



from all firms is not the same. They should be exposed to a more challenging environment so they can handle actual work better.

My suggestion for this overall situation is that maybe at final level the institution should greatly emphasise on communication skills and ensure they are a given a 360 degrees practical training. There should also be closer supervision to ensure the quality.

As a whole, how would you rate the professional qualification in the country?

Many of the qualification are linked to the foreign standards. When you take the accounting area there is the international accounting bodies such as the International Federation of Accountants. Each professional bodies stress on the certain qualification areas that needs to be complied with to maintain standards. There is also the continuing professional development. That is for already qualified members, it is necessary for them to continue their knowledge and skills so that are not out-dated. That is also made compulsory and in certain bodies they require at least 15 hours of continuing professional hours. These are made essential if they are to gain the fellowship or higher statuses. These are areas that will help assist students and members.

If we try to compare our self with neighbouring countries, first of all they will be under the impression that our qualification is not up to mark since the entry level requirements is an issue at the moment. Using A/L as a screening point is not enough for them, since for them it is the degree that is a higher education qualification.

However, we find that our professionals who pass out are definitely able to match, or even do better than those professionals from other countries.

It is imperative that we also upgrade our selves and go up the ladder to match international levels so that the country's education system is capable of providing the necessary people, skill and talent. Else if we continue at this level without developing we may find that our standards will eventually fall.

Speaking from personal experience, at the time when I passed out Chartered Accounting I was the only accountant who stayed back in Sri Lanka. The rest went out since they were presented with better opportunities back then. There is recognition for our qualification but we need to be mindful of what is taking place globally. These are the challenges we are faced with.

To address the issues you mentioned, has there been a collective effort amongst all the professional bodies?

Unfortunately the collective effort has not yet taken place. This is simply because everyone is trying to grab their share and outperform others. There has not been any real grouping where all have come together and taken a common stand.

We have also run into a number of problems. There are national bodies and then the foreign bodies. The latter can operate in Sri Lanka but is necessary for the national bodies to be accepted since they are the key drivers.

We should look at matters jointly but it is difficult to do so since each have their own problems. For example the entry level requirement issue, as I mentioned there are some that even take students after O/Ls but the pass rates are low since they can't cope. The institutions may not be willing to increase the requirement since they could lose their numbers.

However, we find that our professionals who pass out are definitely able to match, or even do better than those professionals from other countries.

The private sector has been repeatedly emphasising the mismatch on the talent available and required. This is greatly to do with those coming out from universities. Is the issue also the same for those passing out from professional qualification bodies?

It is observed that the graduates have realised the situation. They know that having a degree alone is not going to help them get a job. In most of the universities you find that the students are opting for a professional qualification in addition to their degree program, mostly in Accounting, Marketing and Human Resource Management. There is a huge

increase in the percentage of students who have realised that. This is in the area where students can further venture and understand how that can get jobs.

Another aspect is that when you take professionals, there is the practical exposure they are already gaining. That is the on the job training. The professional program is quite different from the university program greatly due to the practical training.

Good to note is that the universities are also changing to that system where they are making it mandatory for final year students to have work experience in either audit firms or industries. The biggest problem would be for the Arts graduates, their scope is limited. Majority would get into teaching. Even there, the Education Ministry can help. There currently is a shortage of teachers and the ministry can have a separate degree program in teaching different subjects.

There is a great shortage of science and math teachers, and having university programs to cater to those areas will help address the gap. The students will also come into those programs since they are assured they will have a job once they graduate. That is the biggest attraction since the ultimate goal is for them is that, to be able to find work and earn a decent income.



The Government must identify such sectors. Teaching is one of the noblest professions we have, one that will enrich the future generations.

Although the teacher training program is there, if they have specialised programs we will have higher quality teaches in our system.

In the five plus one strategy the Government aspires to make the nation an education hub. Is that too ambitious of a goal since we are having issues across all levels in the education sector? What are your views in that regard?

There is no doubt making Sri Lanka an education hub is a good concept but can we reach that goal is the question. We are going into an area where we have been unable to meet the needs of our own people. If we have 120,000 passing out and only 30,000 gaining entry to university, then we are yet to address our own issues. The concept has to be coupled with fulfilling the local rules also. We can be Asia's education hub but if we have more foreign universities compared to the local universities, the number that can afford to go into foreign universities many be small due to the affordability criteria.

If you take a country such as Malaysia the system may be different. One thing we can learn from Malaysia the way they maintain and increase the numbers of their lecturing panel. They frequently send their qualified people abroad for training. If you are a government servant

they will give a scholarship to a reputed foreign university so they are exposed to an international setting which they will imply once back. Sri Lanka also followed this method some years back. Most of those in the civil and public service obtained their postgraduate qualification overseas. This really gave them an exposure that enabled them to come back and fit into any situation. I think we need to look at such areas although monetary aspect will be needed. The danger of some not coming back is also there but still a good number will return. A risk is always there but that shouldn't stop us. We need to also offer them better benefits that will entice them to work in Sri Lanka rather than staving over overseas. These are some areas that we will have to explore if we are to establish Sri Lanka as an education hub.

What other measures can be taken in this regard?

India does something well which we can follow. Each and every one of their ministry has a training arm which trains all new recruits. The new comers are put through a comprehensive training so they are able to handle their work efficient. We need to look at that as well. We may be recruiting a large number of Arts graduates to government institutions, but whether they are given proper training and education to fit into the system is still a question. It is missing. It is imperative since they need to be confident in the work they do.

The lack is evident. Most of our senior government servants go overseas for

conferences and meetings but countries like India dominate the discussions simply because they are more confident. There are exceptional cases from our end but usually we get dominated by other countries. It should be everyone and not just a few handpicked who should have that skill. These are connected with the education system. We have to look at some good systems and procedures.

What is the outlook you have for the education sector for the medium and long term?

I am not sure how much change we can do from our side but definitely the professional qualification bodies can help in its own little way.

I was involved in setting up the Accounting Technicians body and that was an effort to take education out of Colombo. We needed people from the lower level to come in to the system so they are given the recognition to come into Chartered Accounting. Today that body has the highest number of student registration, about 35,000 students.

If you take the O/L students, they are now sitting for these exams. I am proud of this effort since I was the one who set this when I was the President of that institution, a post I held for about 12 years. That was an institute that started without much funds, it was through our personal means and today it has come a long way.

Although our neighbouring countries had the chartered and the management as two separate bodies, we didn't have one. The foreign body was dominating here and we thought that we should have our own. They may have good examination techniques but if systems and procedures of the local public and private sector were not captured, it is not fulfilling its purpose. The AAT was incorporated for that reason.

What more can be done to uplift the education system?

In the education sector the private sector can play an important role. It is not something the Government has to do alone. The private sector can go with the assistance from the government or alone in its own way. There has to be a change in the mind set. Getting only the private sector to help also is not the only answer. We should look at local systems and procedures and look at areas that will give results. The professional education is something that has come to stay in Sri Lanka and we have to keep in touch with the international scenario to ensure that we are in line with them.





Save BIG on interest by using a

Pan Asia Bank Black MasterCard

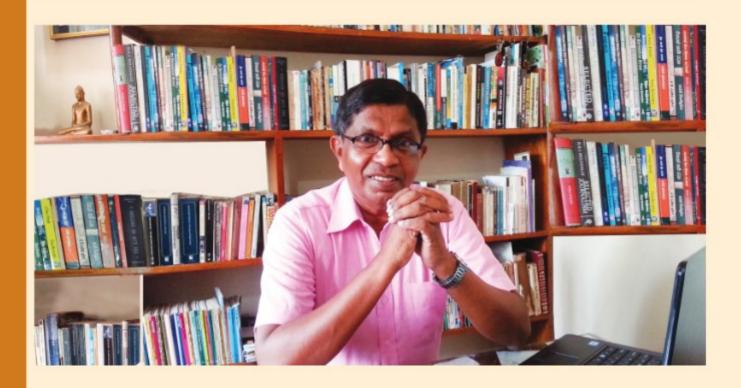
- Lowest interest rate of 19.75% p.a.
- Free of charge balance transfers
- You can continue to maintain existing Credit Cards

(011) 4 667 222





Management Accounting as a Social Practice: EVIDENCE FROM SRI LANKA



n Sri Lanka, as in some other countries in this part of the world, the universities as well as professional accounting bodies treat Management Accounting entirely as a functional discipline. Management Accounting Systems are introduced to our students as a set of calculative practices, a managerial function and a sub-system of the overall organizational information system. However, as currently used in most companies, Management Accounting Systems are more an institutional practice than a company-wide calculative practice that develops an information system to facilitate decision making by managers. The literature of three bases which gives rise to institutions, viz., regulative,

normative and cognitive-cultural. The influence of institutional practices may result in sub-optimization where the Management Accounting System is either less sophisticated or more sophisticated than what the organizational factors demand. These are extremes to be avoided as less sophistication results in poor decisions owing to inadequate information while more sophistication gives rise to information overload and accompanying excessive operating costs.

Our students are exposed to neither the contingent nature of MASs that depends on organization-based factors nor the institutional dimensions that have immense implications for the practice of Management Accounting. Further, there is hardly any knowledge as to how Management Accounting is manifested in our organizations owing to the dearth of research which would shed light on the realities of its practice. It is imperative that our universities and professional accounting bodies address these lapses in the sphere of Management Accounting to make it more up-to-date and relevant.

In an interview with the CPM Journal, Prof. K.B. Mangala Fonseka, Professor in Accounting, Department of Accounting, University of Sri Jayewardenepura, shared his views about sophistication and determinants of Management Accounting Systems in Sri Lanka. Following are excerpts from the interview:

What would be an appropriate introduction to our discussion?

During this discussion I wish to present Management Accounting, as it is currently used in most companies, more as an institutional practice than as a company-wide calculative function that develops an information system to facilitate decision making by managers. In order to do this I draw from a recent survey carried out by me on levels of sophistication of Management Accounting Systems in public listed companies in Sri Lanka. Although the focus here is on Management Accounting, the concepts and the rationale presented will be of relevance to other disciplines and functional areas, too.

What is the role of Management Accounting Systems in organizations?

Effective Management Accounting Systems, let's call it MASs, provide relevant and current information for use by managers employed across functions and at different levels of the organizational hierarchy. The information generated by MASs is used for planning and controlling as well as for decision making, with a view to enhancing organizational performance.

Higher educational institutions as well as professional accounting bodies operative in Sri Lanka are engaged in promoting the use of sophisticated Management Accounting Systems. Why?

Yes, it does happen. In Sri Lanka, we have two very active professional bodies, one international and the other local, dedicated to the propagation of Management Accounting. In addition, other professional accounting bodies too carry a strong component of Management Accounting in their study programmes. There are seven degree programmes in Accounting conducted by the state university system in which Management Accounting is a key area of study. Thus, there are many thousands of students who study Management Accounting and seek a career in this area. In addition, workshops and public seminars are conducted on a regular basis on various topics in Management Accounting. The key message driven through all these programmes is that managers should pay

more and more attention to the practice of Management Accounting, i.e. develop which MASs of increasing sophistication in their organizations will bring benefits in terms of higher levels of productivity and enhanced profits. In the meanwhile, Management Accounting theorists also introduce new management accounting techniques and practices from time to time.

There are seven degree programmes in Accounting conducted by the state university system where Management Accounting is a key area of study. Thus, there are many thousands of students who study Management Accounting and seek a career in this area.

What is a sophisticated MAS?

A sophisticated MAS, as understood by academia and practitioners, is one which consists of both basic management accounting practices such as budgeting, ratio analysis and use of a plant-wide overhead absorption rate as well as advanced management accounting practices such as activity-based costing, Balanced Scorecard analysis and customer profitability analysis. Both the range of management accounting practices in use and the intensity of their use determine the level of sophistication of MAS. The underlying reasoning is that when the level of sophistication of MAS is high it will provide a larger quantum of information which will help organizations in planning, controlling and decision making more effectively leading to enhanced performance.

Is the propagation of management accounting practices evident in the MASs in organizations?

A recent study conducted in Sri Lanka where an Index was used to examine the level of sophistication of MASs gave mixed results as expected. The study covered 47 Public Listed Companies (PLCs) from five business sectors. Expressed on a scale of 7 to 100 the sophistication indices (SI) of companies are dispersed with a minimum value of 7 and a maximum value of 79. The overall mean value of SIs is 51 with a standard deviation of 13 giving a coefficient of variation of 26%. This is indicative of a considerable spread of values around the mean. Further, 25% of the companies have SIs of less than 42, 50% have SIs of less than 53 while 75% have SIs of less than 61. It was also observed that a slightly larger proportion of companies falls into the lower half of the values of sophistication. Thus, with room for improvement the level of sophistication, there seems to be a mix of low and high levels of sophistication in MASs in PLCs in Sri Lanka.

Do you expect or recommend sophisticated Management Accounting Systems for all organizations and at all times?

No, I do not expect nor do I recommend it. What has been observed with MASs of low and high sophistication seems normal. There should definitely be a variation among MASs of different companies because their organizational contexts are different. However, there is an interesting observation that surfaced in the survey, which needs to be explained. The study also examined whether there is a relationship between the level of sophistication of MASs and selected organization-based factors, namely, environmental uncertainty, structure of the company, complexity of processes, whether the company adopts a differentiation or a cost leadership strategy and its size. Many similar studies have been carried out in developed and developing countries, which have used a host of organization-based factors for examination.

It is reasonable to expect a relationship between MAS sophistication and one or more of these factors. isn't it? For example, when environmental uncertainty is high, more information will be required to understand it which calls for a sophisticated MAS, and the opposite is also true.. Likewise, when the company structure is tall or the size is large more information will be required to manage the complexity effectively, which also calls for a sophisticated MAS. However, the study revealed no such relationship. These results are in line with most of the previous studies conducted elsewhere.



Do you mean to say that the level of MAS sophistication required for a company depends on the state of the organization-based factors?

Yes, setting up and maintaining a MAS is a costly exercise, and it is particularly so today where there is pressure to make use of high technology such as Enterprise Resource Planning (ERP) systems for the purpose. Therefore, it is necessary for a company to be cautious in developing its MAS. For example, a small company that operates in an assured market with a few layers of management and a simple manufacturing process could manage with a basic MAS. In such a situation a sophisticated MAS may result in information overload and it will also not be cost-effective. On the other hand, a large company that operates in an uncertain environment and with a tall organization structure and complex manufacturing processes will be better off with a sophisticated MAS. A deviation is likely to result in sub-optimal decisions owing to lack of information. As mentioned already, ERP systems are currently used as the mechanism through which MASs are set up. So, companies which require basic MAS may not go for an ERP system or manage with one with a few modules while others will go for additional modules depending on their requirements. However, the survey does not display these expected trends.

However, it's true that MASs of high sophistication as well as low sophistication exist. If organizationbased factors do not drive MAS sophistication then how else could it be explained?

The reasons for variations in MAS sophistication can be looked at differently. Theorists are becoming increasingly interested in recognizing Management Accounting currently in use in companies, as more an institutional practice rather than as a company-wide function that develops an information system for the benefit of managers. Institutions pervade our organizations in every functional area including Management Accounting. Let me explain what institutions are.

As defined by Veblen, institutions are settled habits of thought common to the generality of men. According to Hamilton they are a way of thought and action of some prevalence and permanence which is embedded in the habits of a group



or the customs of people. It follows, as observed by Parson, that institutions comprise normative patterns which define what are felt to be, in the given group or society proper, legitimate or expected modes of action or social relationships. In essence, as succinctly put by Dillard, Rigsby and Goodman, institutions are the established order comprising rule-governed and standardized social practices observed in organizations.

How do institutions come into being in organizations?

Institutional practices are organizational practices that have got institutionalized. As a result, they have come to stay in particular forms. Scott who did much work in this area has identified three components or bases of institutions. They are the regulative, normative and cognitive-cultural bases. The regulative base stresses regulations, rules and procedures imposed by the state and regulatory bodies. The normative base is associated with professionalization. It comprises the practices that regulators, consultants and managers believe they should follow in order to find solutions to organizational problems. Consequently, this social belief legitimizes the existence of such practices. The cognitive-cultural base constructs common beliefs and conceptions that become deeply entrenched in men and direct their behaviour. The cultural setting of the

organization is the fertile land in which these institutional practices emerge. In a given organization one or more of these bases may operate with varying intensities.

Please give specific examples of how regulatory, normative and cognitive-cultural bases are at work in organizations?

Yes, let me go back to the recent study. The companies that were examined included two local subsidiaries of multinationals in which the level of sophistication of MASs was very high. In them, MASs are based on advanced ERP systems known as SAP, that is Systems, Applications and Products through which organizational functions such as Finance and Financial Control, Human Resources, Sales and Marketing, Supply Chain and Procurement and Factory are integrated. Further, the local MASs are integrated with their centres as well as other subsidiaries across the world. SAP consists of a wide variety of management accounting practices that belong to different levels of sophistication, Global practices, formats, procedures and guidelines developed at the centre for planning, controlling and decision-making are passed down to the subsidiaries. Further, fresh instructions pertaining to accounting practices to be followed are issued from time to time by the centre which all the subsidiaries have to comply with. The local subsidiaries have very little discretion in determining the nature

of the MASs. However, in one of the two companies the state of the organizationbased factors was such that it matched the level of sophistication of the MAS.

These are examples where the regulatory base is dominant. Irrespective of the state of organizational factors in the local subsidiary they are compelled to comply with the instructions coming from the parent company. In contrast, in certain other organizations where such pressure is absent and development of the MAS is entirely at the discretion of the management, the level of sophistication seemed to vary and often to be low. This trend is observed, in particular, in the local context where the adoption of mandatory cost standards, guidelines and reporting are absent.

Can we have examples where the normative base is dominant?

As is the customary practice in most of the indigenous enterprises in Sri Lanka, the company in question too did not employ a professionally qualified Management Accountant until very recently. Further, formal management accounting was not encouraged by the top management who were keen on making decisions based on their long years of experience and gut feeling. However, the emerging competition faced by this company engaged in producing and exporting rubber-based products was so high that in early 2012 it was decided to infuse professionalism into the planning and control aspects of the company. Thus, a triple qualified and experienced management accountant was recruited as general manager who transformed the company's MAS to one of very high sophistication. Within the space of six months he introduced a wide range of modern management accounting practices and computer software to the company while the organization-based factors hardly changed. The management accountant's sound professional training and conviction about the usefulness of management accounting practices were the basis of his behaviour.

In contrast, in a heavy engineering company the opposite effect was observed. Here, the large engineering community which forms a dominant force within the company focuses more on product superiority than on managing costs owing to their professional training. As a result, the minority accounting

community finds it difficult to use modern management accounting practices in the company. Thus, professional rivalry has restricted the company to basic MAS whereas the organization-based factors warrant a higher level of sophistication.

I hope these two examples illustrate the impact of the normative base on MAS sophistication, but in opposite directions. In the first, affiliation with the accounting profession resulted in a MAS of high sophistication which was out of step with what was actually required by the organization-based factors. In the second, the dominance of other professional affiliations resulted in a MAS of low sophistication which was also out of step with what was required by the organization-based factors.

Did the study contain examples where a cognitive-cultural base is dominant?

There were a couple of companies driven by indigenous socio-cultural values. They are of Sinhala Buddhist orientation, conservative and paternalistic in approach where values other than profit maximization play a key role in managing the companies. In one of them in particular the level of sophistication of MAS is strongly influenced by the traditional cultural norms and practices of the working community. Though the office is fully computerized, a project implemented gradually over a considerable period of time, the factory still depends on a system of manual data recording. Though the management wishes to shift gradually towards modernizing MAS, the support received from the employees is low. This can be attributed to the level of education of the employees, the laid back work environment, their religious upbringing promoting frugal living as well as the vision of the founders carried over to the present. Therefore, moving over to modern MAPs including an ERP system even of the simplest type is likely to take time.

In yet another company which is diversified with the main interest in the printing industry the cultural setting has promoted sophistication of its MAS. Set up after Sri Lanka became a market economy, this company had always set its sights on becoming a world-class company and as a result a touch of global culture prevails in everything it does.

Modernity is the theme of the company which is evident in the premises, factory and people. This outlook has given rise to sophisticated MAS executed through an advanced ERP which is in line with the state of organization-based factors.

Thus, we see that the cognitive-cultural base too could affect the level of MAS sophistication of companies. As in the case of regulative and normative bases, it could either support or hinder the process of sophistication.

Shall we now summarize our discussion so far?

Though much propaganda is in the air advocating greater use of management accounting practices it's a fallacy to expect that increasingly sophisticated MASs will necessarily bring enhanced organizational performance. Instead, the level of MAS sophistication should be in alignment with organization-based factors. Deviations are likely to result in either information overload and cost ineffectiveness or inadequate information and sub-optimal decisions. However, such deviations are commonplace in Sri Lanka.

In attempting to explain the deviations one can delve into the sphere of institutional behaviour that is observant in our organizations. When examining the causes of institutional behaviour it's possible to identify three bases: regulative, normative and cognitive-cultural. The core of our organizations is people who are social animals. The institutional behaviour that is formed by their interaction within and without the organizations is strong and far outweighs the logical evolutionary patterns that one would expect in relation to MASs in organizations.

What does all this lead to?

What we discussed is of immense relevance and applicability to managers not only from the sphere of Accounting but also from other disciplines and functional areas. But let us focus once again on MASs.

Firstly, it's important to enquire whether the level of MAS sophistication of the company is in line with the different organization-based factors. In addition to the factors taken up earlier there could be other factors of concern which should receive the attention of managers, after which, the required level of sophistication for MAS should be determined.



Secondly, if there are deviations either way, i.e., the level of sophistication of MAS is either higher or lower than the required level, look for possible institutional practices at play. Study them carefully with a view to identifying the causes.

Thirdly, be a change agent to effect the necessary changes to the identified institutional practices so that the level of sophistication of the MAS can be either extended or contracted to bring it in line with the organizational requirements. However, this is easier said than done. Effecting changes on institutional practices may involve carefully laid down plans to be executed both in the short, medium and the long term. Further, it will require specialized skills such as negotiation and change management. For instance, negotiating with the parent company for a simpler accounting system, convincing the Finance Manager to settle for a simpler MAS, changing the mind-set of a group of engineers or workers steeped in age old traditions and

norms will be difficult for they require tact, patience and fortitude. But, this is worth attempting because the impending benefits will far exceed the costs involved. At this stage, I wish to emphasize that our discussion was confined to the role of institutional practices in the sphere of Management Accounting. However, other concepts such as trust, power and agency, if taken in conjunction with institutional practices, are likely to shed more light on the issue addressed here.



What will you like to say as closing remarks?

Having suggested remedial measures for managers to bring balance in their MASs, I wish to go one step further. I am afraid, in Sri Lanka, the universities as well as professional accounting bodies treat Management Accounting entirely as a functional discipline. Management Accounting is introduced to our students as a set of calculative practices, a managerial function and a sub-system of the overall organizational information system. They are exposed to neither the contingent nature of MASs that depends on organization-based factors nor the institutional dimensions

that have immense implications for the practice of Management Accounting. There is hardly any knowledge about how Management Accounting is manifested in our organizations owing to a dearth of research efforts which would shed light on the realities of its practice.

Thus, it is imperative that the course syllabi of Management Accounting are updated with relevant topics drawn from other disciplines such as cap management and sociology. It is imperative that an integrated and trans-disciplinary approach is adopted in understanding and teaching Management Accounting. Workshops and public seminars conducted by professional accounting

bodies and various consultancy bodies too should address these deeper aspects of Management Accounting. More importantly, in order to generate new knowledge of the practice of Management Accounting research studies of a serious nature should be carried out in our organizations with the support of our universities and professional accounting bodies. Our students, who are the future managers as well as practising managers when equipped with current and relevant knowledge, requisite skills and the right mind-set in any discipline, could contribute immensely to the advancement of our society.

In the discussion the following work were referred to:

Dillard, J F, Rigsby, J T & Goodman, C (2004), 'The making and remaking of organizational context, Dulaity and the Institutionalization Process,' Accounting, Auditing and Accountability Journal, Vol. 17, No. 4, p. 507

Hamilton, W H (1932), In: Seligman, E R A, Johnson, A (Eds.) Institution Encyclopedia of Social Sciences

Parson, T (1951), The Social System, Free Press, New York, NY

Veblan, T B (1919), The Place of Science in Modern Civilization and Other Essays, New York: Huebsch

Wickramasinghe, D & Alawattage, C (2007), Management Accounting Change: Approaches and Perspectives, London: Routledge

PROTECTING THE NATION WITH PRIDE











As the Nation's Protector, Sri Lanka Insurance takes pride in having the necessary infrastructure, technical know-how and financial stability to be the most trusted insurance company in the country. Year on year, Sri Lanka Insurance has consolidated its service offering, taking insurance comfort to the furthest corners of Sri Lanka.

Key strengths of the strongest insurer:

- · Fully owned entity of the State.
- Unparalleled asset base of over Rs.143.5 Billion.
- · Largest Life Insurance Fund of Rs.66.5 Billion.
- · Strong Capitalization of Rs.6 Billion.
- First and only insurance company in the country to be awarded ISO 9001:2008 certification for Quality Management,
 AAA rating from RAM Ratings for claim paying ability and AA (lka) from FitchRatings London.
- Most experienced technical knowledge base backed by strong re-insurance support.
- Diversified investments in Banking & Finance, Health Care, Power & Energy,
 Travel & Leisure and Construction & Engineering.





Energy Management - A timely need

he use of energy has become an integral part of our lives. It is embedded in everything we do. The modern world has come to a state where nobody can survive without a reliable and continuous supply of energy for day-to-day uses.

Primary energy sources and secondary energy sources are the two forms of energy we use. Primary energy sources are the sources that are found in nature which come in many forms, - either as renewable energy sources or nonrenewable energy sources. Secondary energy sources are the sources that are converted using primary energy sources. Electricity is a secondary energy source, and it is the most important, widely used secondary-energy source in the world. The demand for electricity is increasing continuously. This is mainly driven by strong economic growth and rapid global population growth. Supplying of electricity using reliable, secure sources with minimal adverse environmental impact is becoming more and more challenging.

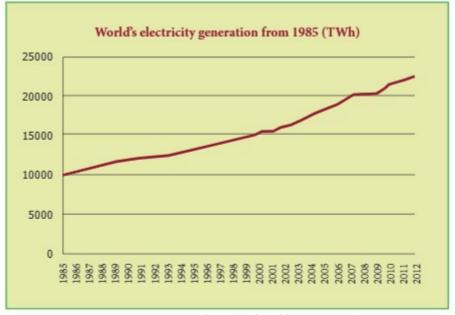
Overview of the global energy outlook

The world has over 7 billion people, of which approximately 20%, (i.e. 1.4 billion people) do not have access to electricity.

The total electricity consumption by the world population in 2012 was approximately 22500TWh (Terawatt hours). The analysis of source-wise generation indicates that over 65% of this power requirement is fulfilled through the use of fossil fuels.

According to the United Nations population forecast the global population is expected to grow to 8.3 billion by 2030, and will require upto 33,000TWh of electricity. This is largely expected to result in about 12% of the population that will still be struggling to get access to electricity.

Global growth forecasts have indicated that global primary energy demand will increase by 1.5% each year. This increase will be driven mainly by the growth in population, as well as the industrialization and increase in electrification levels of low electrified countries.



Source: BP Statistical Review of World Energy 2011

In line with global energy consumption trends, Sri Lanka's energy consumption has also increased over the years. Sri Lanka's total electricity consumption in 2013 was approximately 12,000GWh (Gigawatt hours), which comes to a per capita energy consumption of approximately 500kWh(Kilowatt hours), a fairly low figure compared to many developed countries(USA 13,250 kWh, India 700kWh).

Further, Sri Lanka has made commendable progress over the years to ensure that the required energy sources are in place to cater to the energy needs of people. At present Sri Lanka has an electrification level of over 90%, which is the highest in the region. However the power generation mix gradually shifted from a hydro-based generation to a mix of 60% thermal and 40% renewable sources-based generation. The country's electricity demand is increasing at a rate of 6%. Whilst setting ambitious targets of fulfilling 20% of the power need through non-conventional renewable energy (NCRE) sources by 2020, 88% of the new demand is to be met by coal power sources.

Rising energy demand – a major concern

The major concerns that everybody has in the current context of rising energy demand are:

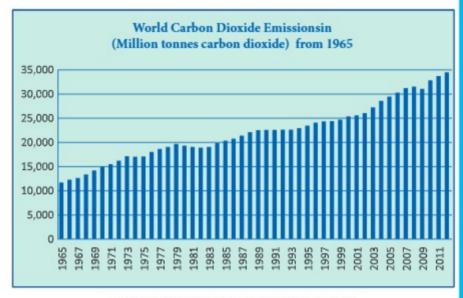
- How secure the current energy supply is to face the rising demand
- The adverse impacts on climate change of the increased use of fossil fuels to drive the rising demand

Most issues are associated with the use of fossil fuels. At present we are over dependent on fossil fuels in meeting our energy needs.

Over dependence on fossil fuels will result in the following:

 Despite the fact that new oil and gas reserves are being discovered globally, the extensive use of such reserves to cater to the increasing demand will lead to drying up of such reserves sooner than we expect, leaving our future generation in a vulnerable situation.

- The heavy use of fossil fuels has significant impact on economies, especially in developing countries. Today, the supply of fossil fuels to the world is controlled by a few countries. More than 80% of the world's oil reserves are controlled by three regions; Africa, Russia and the Caspian Basin and the Persian Gulf. More than half of the world's remaining proven gas reserves exist in just three countries Russia, Iran, and Qatar. This highlights the gravity of the issue, since most countries are dependent on imported sources of fuel to meet their energy needs.
- Global warming and adverse climate change effects have become serious concerns that
 the world is focusing on. Perhaps it has become the most complicated environmental
 issue that everybody is trying to address collectively. Researchers have found that the
 global temperature (both land and ocean surfaces) has risen approximately by 1.53°F
 over the past century, and the rate of rising has accelerated in the recent past. Rising
 global temperatures has been largely attributed to the burning of fossil fuels (of which
 power generation is a major contributor).



Source: BP Statistical Review of World Energy 2011

All these effects are alarming, resulting in a global evaluation of activities with a focus on conserving energy while reducing the demand through improved energy efficiency and conservation.

What is energy management?

As the name itself describes, energy management is the efficient and effective use of energy to optimize energy consumption. It is a broad term to talk about the process of monitoring, controlling, and conserving energy in every possible ways. Energy







Enhancing energy efficiency in households (Getting started with home efficiency)

There are many ways in which we can reduce our energy consumption by improving efficiency.

Energy efficiency in houses means reducing energy consumption by introducing energy saving strategies and using efficient appliances. Most importantly, basic awareness of energy efficiency can reduce a household's energy consumption to a great extent.

Some basic steps that a household could focus on before introducing advanced energy efficiency improvement techniques include:

Understanding the electricity bill: Take at least 6 months of previous electricity bills and analyse energy consumption patterns. Compare this with the domestic tariff structure to have a better understanding on how electricity costs can be reduced (Sri Lanka has a step-tariff rate where rate per unit increases with higher consumption).

- The first step in any energy saving attempt is to conduct an inspection of all energy consuming areas / systems (lighting, air conditioning, electric appliances, electronic devices etc.). This helps to also understand high energy-consuming areas and usage patterns.
- Focus on easy things first: replace all incandescent lights with CFL or LED lights.
- Inculcate good practices among family members: Change behavioral patterns
 be mindful of the wasteful use of power
 - Switch off lights, fans when not required
 - Switch off the TV when nobody is watching and do not leave the TV on standby mode.
 - Reduce the frequency of use of high energy consuming devices such as irons, water heaters etc.

- Reduce the number of times the refrigerator door is opened – a major waste of energy
- Make the maximum use of daylight
- Replace inefficient electric appliances: This may not be possible to be done at once. However when the next replacement is due, go for energy efficient ones, opt for energy efficient air conditioners, refrigerators, washing machines etc.). Though the capital investment may be slightly higher than the normal appliances, the long-term benefits are much higher in energy efficient appliances.

"Sri Lanka has made commendable progress over the years to ensure that the required energy sources are in place to cater to the energy needs of people."



- Air conditioning consumes a lot of energy. The regular use of air conditioners can increase your electricity bill quite significantly. Older ACs may not be as efficient as new ones. Therefore always ensure to set the temperature closer to room temperature - the lower the temperature, the more energy the AC consumes. Consider using fans wherever possible, as they consume less energy than ACs. Also make sure the ACs are used in properly sealed environments. When it comes to the decision of purchasing new ACs, always select one with the required capacity for the space to be air conditioned. It is advisable to opt for an energy efficient inverter-type ACs which consumes less energy than non-inverter type ACs.
- Whenever possible opt for alternative energy sources such as renewable energy sources. In Sri Lanka, grid-tight net-metering based roof top solar PVs are becoming popular. The use of such mechanisms could be a good solution to the reduction of fossil fuel based energy consumption and also the electricity cost.

Carry out a proper home energy audit with the assistance of an expert: If you believe that your energy bill is extremely high and unrealistic when compared to houses with similar energy usage profiles, and if you have taken all basic steps to improve energy efficiency but it doesn't show any improvements, or if you are living in an old building, it is advisable to get an energy expert's assistance to identify the root causes for the high energy bills.

Enhancing energy efficiency in commercial entities

Any commercial operation is dependent on energy and takes a substantial percentage of its operational cost. Energy management in commercial entities means a planned and deliberate approach to controlling and reducing organization's energy consumption. Unlike in household environments, operating environment of business entities is much more complex. The failure to manage the energy consumption properly can result in increased costs that can impact

productivity. It can also impact adversely, the environment. Therefore a more structured systematic approach is required to reduce the energy consumption and energy cost.

There are a number of energy consuming areas in a typical manufacturing operation. Typical energy consuming areas include:

- → Lighting Systems
- * Machinery & equipment
- → HVAC Systems
- * HVAC Distribution Systems
- * Energy Management Control Systems
- → Building Envelope
- → Power Systems
- Water Heating Systems

The basic steps that need to be followed in identifying the energy saving opportunities in a commercial operation are:

- Collecting past energy consumption data: If no meters/measuring devices have been fixed to collect data, fix them.
- Analyzing and quantifying data: collected data is the primary source of information to identify the major energy consumers, consumption patterns and this helps in deciding what initiatives are required to improve the energy efficiency of business operations.
- Identify the energy saving opportunities and have a proper implementation plan: Begin with awareness programs for employees. Educating employees and making them more aware of energy saving opportunities would be a starting point for any energy efficiency implementation initiative.
- Focus on implementing easy things first. Some initiatives would be high capital intensive. Focus on low-cost and no-cost initiatives first, and then have a proper investment plan for high-capital initiatives.



- Monitor and verify savings: The energy saving process is an ongoing one. Once the implementations are carried out, it is very important to track and monitor performance and verify this with expected savings. Continue the process with further improvements and modifications.
- If you don't have in-house energy experts, energy service companies (ESCO) can help manage the energy consumption of a business more effectively and efficiently.

Alternative energy sources and its impacts

Whilst focusing on improving energy efficiency, another area of energy management is to harness energy from alternative energy sources, which are less costly and cause no environmental damage.

Alternative energy sources are those that are used as alternatives to fossil fuel sources. They are typically used interchangeably for renewable energy sources, but aren't necessarily only renewable energy sources. The main objective of using alternative energy sources is to fulfill the energy requirement by minimizing the adverse environmental impacts.

There are a number of energy sources with proven technologies that are widely used as alternative energy technologies.

- Hydro power
- Solar energy
- Wind energy
- Biomass
- Tidal power
- Geo thermal power
- Nuclear binding energy (Nuclear Fusion)



Although the investment cost of building renewable energy power plants is high, running and maintenance costs are fairly low. In addition, having a reasonable share of power generation through renewable energy sources would reduce the over dependence on imported fossil-fuel based power generation. On top of everything, the most important aspect of alternative energy sources is that it guarantees clean, pollutant free energy.

In Sri Lanka between 30%-40% of our power requirement is met through renewable energy sources predominantly conventional hydros. Although Sri Lanka is less vulnerable to climate change effects, the policy makers have set ambitious targets of generating 20% of the total power requirement from non-conventional renewable energy sources (NCRE) by 2020.

Conclusion

Energy management has become a widely discussed topic not only in boardrooms but also in bedrooms now. The world's attention to exploring alternative energy sources to replace fossil fuels is much higher than ever before.

Despite all efforts, fossil fuels are still being heavily used to obtain our energy needs. Consequently, global warming is still a challenge. This means our efforts to minimize the effects of climate change have not been adequate. More needs to be done, and we are responsible for this. A little effort to conserve energy will go a long way in making the world a cleaner and greener place to live in.

References:

- Energy Data, BP Group. Retrieved from http://www.bp.com/content/dam/bp/pdf/statistical-review/statistical_review_of_world_energy_2013.pdf statistical_review_of_world_energy_2013_workbook.xls http://www.bp.com/content/dam/bp/pdf/Energy-economics/Energy-Outlook/Energy_Outlook_2035_booklet.pdf
- World Energy Outlook (2013), International Energy Agency. Retrieved from http://www.iea.org/Textbase/npsum/WEO2013SUM.pdf http://www.iea.org/Textbase/npsum/WEO2013SUM.pdf http://www.iea.org/publications/pressmedia/recentpresentations/LondonNovember12.pdf http://www.iea.org/publications/freepublications/publication/KeyWorld2013.pdf
- Energy Data, World Bank. Retrieved from http://data.worldbank.org/topic/energy-and-mining
- Statistical Digest Report (2013), Ceylon Electricity Board. Retrieved from http://www.ceb.lk/sub/publications/statistical.aspx
- Sri Lanka Sustainable Energy Authority website. http://www.energy.gov.lk

Nishantha Jayasooriya B.Sc.Eng.(Hons) (Uni. of Peradeniya), MBA (Uni. of Colombo), ACMA(UK), AIB (Sri Lanka) E-mail:nishantha.j@gmail.com



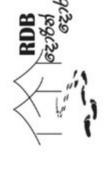
ළිවයිනේ තෙවැනි විශාලතම **ශා**බා 266ක් පුරා විනිදි රාජ් කිදංකුව













පාරේශීය සංවර්ධන බැංකුව பிரதேச அபிவிருத்தி வங்கி RDB Regional Development Bank

නො 933, නුවර පාර, පුධාන කාර්යාලය

කැළණීය

දුරකතන: 011 2035454 www.rdb.lk



Importance of the right Organizational Structure

he heart, brain, kidney and liver we know are very important organs of the body without which the human body cannot perform. So is the nervous and artery system, body mass and muscles. But all of them are useless if the right skeletal structure isn't there. Just as much as a right structure is required for the human body so does every organization, be it commercial, non profit or objective driven.

The focus of this paper is to identify the most appropriate organizational structures for commercial organizations, Commercial organizations can be classified into four groups:

- Small scale organizations
- Medium scale organizations
- Large scale organizations
- Conglomerates

Small Scale Organization

Such can be defined as mainly an entrepreneurial organization driven by an entrepreneur who will make most decisions for the company. The structure would typically be something similar to:

Owner Workforce Workforce

The owner could be a sole proprietor or even a partnership but notwithstanding there will always be a dominant party who will always take leadership and often decisions. It could often be the larger investor or the initiator of the enterprise.

Medium Scale Organization

This would ideally be an organization that has moved away from a sole proprietor or partnership and has got itself incorporated as a private limited liability. The structure would be more management oriented where the Managing Director will have a team of managers employed by the company to take care of various management disciplines as follows:

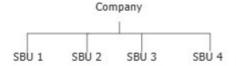
Managing Director Production Marketing & Sales Finance Manager Manager Manager

In this case the MD might be an employee but usually would be the owner or owner's representative. Above shows three management disciplines or separate functional areas but depending on the need it can be expanded into other functional areas such as Logistics / Supply Chain Management, Human Resource Management & Development, ICT etc. This structure is appropriate for a company that has a small range of related products that may require similar production / operational facilities and a distribution process either an outsourced or in-house.

Large Scale Organization

This is a multi product company and often with a large range of different product lines that needs to be managed to the former or may be with more shareholders and more members on its Board of Directors. The structure here becomes very different from the former:





The company will continue to have the functional management structure similar to that of a private limited liability of a Medium Scale Organization but it will separate its different product lines and classify them under different Strategic Business Units (SBU). They if we go down memory lane are the Profit Centres of the organization. Each SBU will be under a separate manager to ensure greater focus.

If we need an example we could ideally take East West Marketing (Private)
Limited in Sri Lanka whose focus is Distribution. They are engaged in distributing third party products as well as their own products that they produce. They grew from an entrepreneurial beginning into a medium and later a large scale organization. They have different SBUs for their product lines. They have three SBUs as FMCG SBU, Confectionery Products SBU and Bakery Products SBUs. However, the functional units remain as Marketing, Sales, HRM, SCM, IT and Operations.

Nestle in Sri Lanka has several different SBUs within itself but is a subsidiary of Nestle the international conglomerate. Nestle was founded by an entrepreneur Henri Nestlé, who was a German pharmacist living in Switzerland and developed the world's first milk food for infants in 1867 to save the life of a neighbour's child; a premature infant who could tolerate neither his mother's milk nor any of the conventional substitutes and had been given up for lost by local physicians. The Group turnover of Nestle I am made to understand is in the € Trillions much more than the GDP of many countries.

Conglomerate

A large scale organization that diversifies into different areas of business and markets will opt to set up individual



An organization that can be described as an entrepreneurial initiative grew into a large scale company. This company was able to generate business in foreign countries and from foreign companies, and also develop trust and a good relationship with investors in those companies. This helped the company to bring in foreign direct investments (FDI) into the motherland and into different industries and markets. Thus they were able to pursue conglomerate diversification and expand into a half a dozen separate and unrelated businesses. They believed that it was time to restructure the organization, perhaps without even asking the guestion must we re-structure and what are the benefits and outcomes of it.

The six businesses that were to generate a ROI through producing goods or services were partly or wholly owned by the original entrepreneur and his Board of Directors. The first mistake they made was to use the wrong acronym

to describe the re-structuring process as CSR meaning 'corporate structural reforms' whilst CSR was better known for 'corporate social responsibility'. This confused the internal stakeholders and there was resistance. Change has to be managed properly as change is often resisted and painful to many. Hence change has to be marketed using an internal marketing strategy.

The next blunder the company made was to have a separate investment company for ownership of the diversified companies. Thereafter, the ludicrous, forming separate companies for Marketing, Logistics and Corporate Affairs. These companies were referred to as services companies, meaning providing services to the companies that bring in sales volume or generate revenue. Perhaps, unprecedented globally all of them were unnecessary overheads to the Group. It is good to be different; it is good to change but to justify it we must ensure that we differentiate or change by keeping our internal velocity with the velocity required externally, lest there will be significant consequences of imbalance. Here's what they could have done:





Subsidiary 1 Subsidiary 2 Subsidiary 3 Subsidiary 4 Subsidiary 5 Subsidiary 6

From the above structure it is very evident that the holding company has only the 6 companies and it supports conglomerate diversification (unrelated businesses) or even concentric diversification (related businesses).



The above shows the different departments or functions of the holding company, but what is important is that the holding company will provide all necessary services to the subsidiary companies. But it must be very clearly understood though services are centralized that a representative/s must be in each subsidiary to coordinate with the corporate office. For example, Finance must have a representation to handle the coordination of the subsidiaries' cash flow — revenue and expenditure; this can be done by a very junior staff, whilst Accountants and other seniors can be in the corporate office.

This is how a conglomerate structure can be put in place so that centralization will enable the group to minimize its costs on functional areas. For example having an Accountant in each subsidiary will be very costly if each subsidiary needs only a part of his/her time.

Size and Competitive Advantage Matters

But no matter whatever said, it is important to keep in mind that 'size matters', if the subsidiaries are extremely large and need more specialized staff then the holding company must pay heed to their request, even though they may opt to keep the centralized function.

Another important thing we need to address always in the structuring process is competitive advantage. Madanayake (2002) asserts, that the purpose of marketing is to identify, create and sustain competitive advantage and drive a business to sell more goods, services or ideas to target markets at profitable prices. Hence our processes must not in any way deter our competitive advantage.

References:

Madanayake, R. (2002), Strategic Marketing Plan The 12 P Model, Vishva Lekha, Sri Lanka.

Dr. Ranjan Madanayake

DBA, CPM, FSPMgt, FSBP, McInstM, RPM, MMA, MNZIM, MIM (SL), MSLIM, CPM, FGMN
Author Strategic Marketing Plan – The 12 "P' Model, Sri Lanka, Author PCM Course Book,
Sri Lanka Institute of Marketing, Co-author The Marketing Colectibles, New Zealand & Malaysia,
Co-author Marketing Skils in Management, India, Co-author Marketing Perspectives,
Canadian Institute of Marketing, Managing Director, Phoenix Business School (Private) Limited,
Senior Lecturer in Marketing and Stratecic Management.





Car, bike, truck, three-wheeler - anything you drive There's always afc to bring your dream alive



PEOPLE • PLANET • PROFIT

afc Leasing - Your friend for leasing, always

"Alliance House", 84, Ward Place, Colombo 7. Tel: 011 2673673 Fax: 011 2691090

Licensed by the Monetary Board of Central Bank of Sri Lanka under the Finance Business Act 42 of 2011. Established as a Limited Liability Company on 18th July 1956. A long-term investment grade rating RAM BBB/P2 - Positive Outlook.





Managing Stress Management in our life

How to Reduce, Prevent, and Cope with Stress

aManaging stress is all about tackling your thoughts, emotions, schedule, and the way you deal with problems. It may seem that there's nothing you can do about stress. The bills won't stop coming, there will never be more hours in the day, and your career and family responsibilities will always be demanding. But you have more control than you might think. In fact, the simple realization that you're in control of your life is the foundation of stress management. So the management of stress under your control and it depends on you!

Modern life is full of hassles, deadlines, frustrations, and demands. For many people, stress is so commonplace that it has become a way of life. Stress isn't always bad. In small doses, it can help you perform under pressure and motivate you to do your best. But when you're constantly running in emergency mode, your mind and body pay the price.

You can protect yourself by recognizing the signs and symptoms of stress and taking steps to reduce its harmful effects. Stress is a normal physical response to events that make you feel threatened or upset your balance in some way. When you sense danger; whether it's real or imagined; the body's defenses kick into high gear in a rapid, automatic process known as the "fight-or-flight-or-freeze" reaction, or the stress response.

Stress affects the mind, body, and behavior in many ways, and everyone experiences stress differently. Not only can overwhelming stress lead to serious mental and physical health problems, it can also take a toll on your relationships at home, work, and school. The followings are the stress warning signs and/or symptoms

Cognitive Symptoms

- · Memory problems (memory loss)
- Inability to concentrate
- Poor judgment
- · Seeing only the negative
- · Anxious or racing thoughts
- Constant worrying

Physical Symptoms

- Aches and pains
- Diarrhea or constipation
- Nausea, dizziness
- Chest pain, rapid heartbeat
- Loss of sex drive
- Frequent colds

Emotional Symptoms

- Moodiness
- Irritability or short temper
- Agitation, inability to relax
- Feeling overwhelmed
- · Sense of loneliness and isolation
- · Depression or general unhappiness

Behavioral Symptoms

- Eating more or less
- · Sleeping too much or too little
- · Isolating yourself from others
- Procrastinating or neglecting responsibilities
- Using alcohol, cigarettes, or drugs to relax
- Nervous habits (e.g. nail biting, pacing)

Because of the widespread damage stress can cause, it's important to know your own limit. But just how much stress is "too much" differs from person to person. We're all different. Some people are able to roll with the punches, while others seem to crumble in the face of far smaller obstacles or frustrations. Some people even seem to thrive on the excitement and challenge of a high-stress lifestyle.

Your ability to tolerate stress depends on many factors, including the quality of your relationships, your general outlook on life, your emotional intelligence, and genetics.

What could influence your stress tolerance level?

There is no size for a stress like 'big stress' or 'small stress', it depends on the person and his/her tolerance level. Because of the widespread damage stress can cause, it's important to know your own limit. But just how much stress is "too much" differs from person to person. Like all fingers are not same, we're all different. Some people are able to roll with the punches, while others seem to crumble in the face of far smaller obstacles or frustrations. Some people even seem to thrive on the excitement and challenge of a high-stress lifestyle.

The situations and pressures that cause stress are known as stressors. We usually think of stressors as being negative, such as an exhausting work schedule or a rocky relationship. However, anything that puts high demands on you or forces you to adjust can be stressful. This includes positive events such as getting married, buying a house, going to college, or receiving a promotion. Of course, not all stress is caused by external factors. Stress can also be self-generated, for example, when you worry excessively about something that may or may not happen, or have irrational, pessimistic thoughts about life.

We will see below a few possible ways or practical examples in our lifetime to manage it.

- Your support network: Good friends are always an asset. A strong network of supportive friends and family members can be an enormous buffer against life's stressors. On the flip side, the more lonely and isolated you are, the greater your vulnerability to stress. Please keep away from friends who welcome to drink, smoke, use drugs etc. during your stress period.
- Your sense of control: You are the best boss for you. It may be easier to take stress in your stride if you have confidence in yourself and your ability to influence events and persevere through challenges. If you feel like things are out of your control, you're likely to have less tolerance for stress. Please do not think too much and break your head, just relax your mind and body.
- · Your attitude and outlook:

Optimistic people are often more stress-hardy. They tend to embrace challenges, have a strong sense of humor, and accept that change is a part of life. Some of you all feel, "nothing is impossible", but realize that you could lift only a certain amount of weight.

- Your ability to deal with your emotions: You're extremely vulnerable to stress if you don't know how to calm and soothe yourself when you're feeling sad, angry, or overwhelmed by a situation. The ability to bring your emotions into balance helps you bounce back from adversity and is a skill that can be learned at any age. You could take an example of your emotional balance in between at a funeral and a wedding.
- Your knowledge and preparation:
 The more you know about a stressful situation, including how long it will last and what to expect, the easier it is to cope. For example, if you go into surgery with a realistic picture of what

is to cope. For example, if you go into surgery with a realistic picture of what to expect post-op, a painful recovery will be less traumatic than if you were expecting to bounce back immediately. What causes stress depends, at least in part, on your perception of it. Something that's stressful to you may not faze someone else; they may even enjoy it. For example, your morning commute may make you anxious and tense because you worry that traffic will make you late. Others, however, may find the trip relaxing because they allow more than enough time and enjoy listening to music while they drive. The followings are some common external and internal causes of stress.

External causes of stress

- · Major life changes
- · Work or school
- Relationship difficulties
- · Financial problems
- Being too busy
- Children and family

Internal causes of stress

- Chronic worry
- Pessimism
- Negative self-talk
- · Unrealistic expectations/Perfectionism
- · Rigid thinking, lack of flexibility
- All-or-nothing attitude

How to identify the sources of stress in your life?

Stress management starts with identifying the sources of stress in your life. This isn't as easy as it sounds. Your true sources of stress aren't always obvious, and it's all too easy to overlook your own stress-inducing thoughts, feelings, and behaviors. Sure, you may know that you're constantly worried about work deadlines. But maybe it's your procrastination, rather than the actual job demands, that leads to deadline stress. To identify your true sources of stress, look closely at your habits, attitude, and excuses. You must know that you are the best doctor for you, so you should by analyze yourself with the following tips:

- Do you explain away stress as temporary ("I just have a million things going on right now") even though you can't remember the last time you took a breather?
- Do you define stress as an integral part
 of your work or home life ("Things are
 always crazy around here") or as a
 part of your personality ("I have a lot
 of nervous energy, that's all").

Mertified Manager

 Do you blame your stress on other people or outside events, or view it as entirely normal and unexceptional?

Please note: Until you accept responsibility for the role you play in creating or maintaining it, your stress level will remain outside your control.

Some of you have a habit of write a
Stress Journal as a tool. A stress journal
can help you identify the regular stressors
in your life and the way you deal with
them. Each time you feel stressed; keep
track of it in your journal. As you keep a
daily log, you will begin to see patterns
and common themes. Write down the
followings:

- What caused your stress (make a guess if you're unsure)
- How you felt, both physically and emotionally
- · How you acted in response
- What you did to make yourself feel hetter

Also look at how you currently cope with stress. Think about the ways you currently manage and cope with stress in your life. Your stress journal can help you identify them. Are your coping strategies healthy or unhealthy, helpful or unproductive? Unfortunately, many people

cope with stress in ways that compound the problem.

But do not fall into unhealthy ways of coping with stress.

These coping strategies may temporarily reduce stress, but they cause more damage in the long run:

- Smoking
- · Drinking too much
- · Overeating or under-eating
- Zoning out for hours in front of the TV or computer
- Withdrawing from friends, family, and activities
- Using pills or drugs to relax
- Sleeping too much
- Procrastinating
- Filling up every minute of the day to avoid facing problems
- Getting angry for nothing or abnormal silent for everything
- Taking out your stress on others (lashing out, angry outbursts, physical violence)

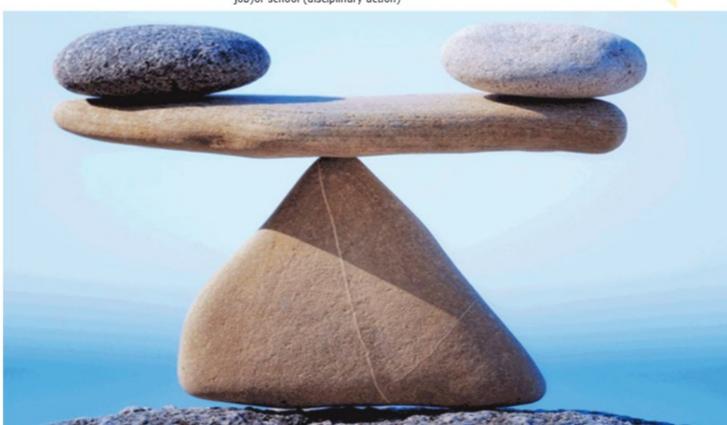
This creates many problems at your home (family problems), work place (loosing job)or school (disciplinary action)

How to manage stress on healthier ways?

You may feel like the stress in your life is out of your control, but you can always control the way you respond. Managing stress is all about taking charge: taking charge of your thoughts, your emotions, your schedule, your environment, and the way you deal with problems. Stress management involves changing the stressful situation when you can, changing your reaction when you can't, taking care of yourself, and making time for rest and relaxation. If your methods of coping with stress aren't contributing to your greater emotional and physical health, it's time to find healthier ones. There are many healthy ways to manage and cope with stress, but they all require change. You can either change the situation or change your reaction. When deciding which option to choose, it's helpful to think of the four As: avoid, alter, adapt, or accept.

Dealing with Stressful Situations: The Four A's: 2 A's Change the situation:

 Avoid unnecessary stressor/stress.
 Not all stress can be avoided, but by learning how to say no, distinguishing between "shoulds" and "musts" on your to-do list, and steering clear



of people or situations that stress you out, you can eliminate many daily stressors. This is one of the big challenge in our working environment where personnel not willing to say "no" even if they are overloaded. There are many reasons behind this answer, including his/her job security and our hospitality culture etc.

Alter the stressor/situation. If you can't
 avoid a stressful situation, try to alter
 it. Be more assertive and deal with
 problems head on. Instead of bottling
 up your feelings and increasing your
 stress, respectfully let others know
 about your concerns. Or be more
 willing to compromise and try meeting
 others halfway on an issue. You could
 try to alter the situation by yourself or
 with the help of others, may be boss
 or peers or friends.

Dealing with Stressful Situations: The Four A's: 2 A's Change your reaction:

- Adapt to the stressor. When you can't change the stressor, try changing yourself. Reframe problems or focus on the positive things in your life. If a task at work has you stressed, focus on the aspects of your job you do enjoy. And always look at the big picture: is this really something worth getting upset about? Also, please keep this within a framework and not apply this in all situations, especially home and office?
- Accept the stressor/things you
 can't change. There will always
 be stressors in life that you can't do
 anything about. Learn to accept the
 inevitable rather than rail against a
 situation and making it even more
 stressful. Look for the upside in a
 situation; even the most stressful
 circumstances can be an opportunity
 for learning or personal growth. Learn
 to accept that no one, including you,
 is ever perfect. Every day is a learning
 day, so be positive that this change will
 be pillar of your development.

Since everyone has a unique response to stress, there is no "one size fits all" solution to managing it. No single method works for everyone or in every situation, so experiment with different techniques and strategies. Focus on what makes you feel calm and in control.

How to cope with stress in a strategic manner?

1: Avoid unnecessary stress

Not all stress can be avoided, and it's not healthy to avoid a situation that needs to be addressed. You may be surprised, however, by the number of stressors in your life that you can eliminate.

- Learn how to say "no": Know your limits and stick to them. Whether in your personal or professional life, taking on more than you can handle is a surefire recipe for stress.
- Avoid people who stress you out:
 If someone consistently causes stress in your life and you can't turn the relationship around, limit the amount of time you spend with that person or end the relationship entirely.
- Take control of your environment:
 If the evening news makes you anxious, turn the TV off. If traffic's got you tense, take a longer but less-traveled route. If going to the market is an unpleasant chore, do your grocery shopping online.
- Avoid hot-button topics: If you get upset over religion or politics, cross them off your conversation list. If you repeatedly argue about the same subject with the same people, stop bringing it up or excuse yourself when it's the topic of discussion.
- Pare down your to-do list: Analyze your schedule, responsibilities, and daily tasks. If you've got too much on your plate, distinguish between the "shoulds" and the "musts." Drop tasks that aren't truly necessary to the bottom of the list or eliminate them entirely.

2: Alter the situation

If you can't avoid a stressful situation, try to alter it. Figure out what you can do to change things so the problem doesn't present itself in the future. Often, this involves changing the way you communicate and operate in your daily life.

- Express your feelings instead
 of bottling them up: If something
 or someone is bothering you,
 communicate your concerns in an open
 and respectful way. If you don't voice
 your feelings, resentment will build
 and the situation will likely remain the
 same.
- Be willing to compromise: When you ask someone to change their behavior, be willing to do the same. If you both are willing to bend at least a little, you'll have a good chance of finding a happy middle ground.
- Be more assertive: Don't take a backseat in your own life. Deal with problems head on, doing your best to anticipate and prevent them. If you've got an exam to study for and your chatty roommate just got home, say up front that you only have five minutes to talk.
- Manage your time better: Poor time management can cause a lot of stress.
 When you're stretched too thin and running behind, it's hard to stay calm and focused. But if you plan ahead and make sure you don't overextend yourself, you can alter the amount of stress you're under.

3: Adapt to the stressor

If you can't change the stressor, change yourself. You can adapt to stressful situations and regain your sense of control by changing your expectations and attitude.

- Reframe problems: Try to view stressful situations from a more positive perspective. Rather than fuming about a traffic jam, look at it as an opportunity to pause and regroup, listen to your favorite radio station, or enjoy some alone time.
- Look at the big picture: Take
 perspective of the stressful situation.
 Ask yourself how important it will be in
 the long run. Will it matter in a month?
 A year? Is it really worth getting upset
 over? If the answer is no, focus your
 time and energy elsewhere.

Mertified Manager

· Adjust your standards:

Perfectionism is a major source of avoidable stress. Stop setting yourself up for failure by demanding perfection. Set reasonable standards for yourself and others, and learn to be okay with "good enough."

- Focus on the positive: When stress
 is getting you down, take a moment to
 reflect on all the things you appreciate
 in your life, including your own
 positive qualities and gifts. This simple
 strategy can help you keep things in
 perspective.
- Adjusting Your Attitude: How you think can have a profound effect on your emotional and physical wellbeing. Each time you think a negative thought about yourself, your body reacts as if it were in the throes of a tension-filled situation. If you see good things about yourself, you are more likely to feel good; the reverse is also true. Eliminate words such as "always," "never," "should," and "must." These are telltale marks of self-defeating thoughts.

4: Accept the things you can't change

Some sources of stress are unavoidable. You can't prevent or change stressors such as the death of a loved one, a serious illness, or a national recession. In such cases, the best way to cope with stress is to accept things as they are. Acceptance may be difficult, but in the long run, it's easier than railing against a situation you can't change.

- Don't try to control the uncontrollable:
 Many things in life are beyond our
 control; particularly the behavior of
 other people. Rather than stressing out
 over them, focus on the things you can
 control such as the way you choose to
 react to problems.
- Look for the upside: As the saying goes, "What doesn't kill us makes us stronger." When facing major challenges, try to look at them as opportunities for personal growth. If your own poor choices contributed to a stressful situation, reflect on them and learn from your mistakes.
- Share your feelings: Talk to a trusted friend face to face or make an appointment with a therapist. The simple act of expressing what you're going through can be very cathartic, even if there's nothing you can do to alter the stressful situation. Opening up is not a sign of weakness and it won't make you a burden to others. In fact, most friends will be flattered that you trust them enough to confide in them, and it will only strengthen your bond.
- Learn to forgive: Accept the fact that we live in an imperfect world and that people make mistakes. Let go of anger and resentments. Free yourself from negative energy by forgiving and moving on.

5: Acquire time for fun and relaxation

Beyond a take-charge approach and a positive attitude, you can reduce stress in your life by nurturing yourself. If you regularly make time for fun and relaxation, you'll be in a better place to handle life's stressors. The followings are some of the healthy ways to relax and recharge.

- Go for a walk; Spend time in nature.
- Call a good friend.
- Sweat out tension with a good workout.
- Write in your journal.
- Take a long bath.
- Light scented candles.
- Savor a warm cup of coffee or tea.
- Play with a pet, also kids.
- Work in your garden/water the plants.
- Get a massage, ask your wife or children
- Curl up with a good book.
- Listen to light music/songs; Watch a comedy series.
- Wash/clean your car/cloths/fish tank/ pet cage
- Help your wife on cooking/ domestic work
- · Go to the temple with your family
- Go for a movie and dinner/lunch out with family/friends.
- Regular sex with your legal spouse/ trusted partner.
- Holiday outing with family and friends (which could make all fun)

Don't get so caught up in the hustle and bustle of life that you forget to take care of your own needs. Nurturing yourself is a necessity, not a luxury.

 Set aside relaxation time: Include rest and relaxation in your daily schedule. Don't allow other obligations to encroach. This is your time to take a break from all responsibilities and recharge your batteries.



- Connect with others: Spend time with positive people who enhance your life. A strong support system will buffer you from the negative effects of stress.
- Do something you enjoy every day: Make time for leisure activities that bring you joy, whether it be stargazing, playing the piano, or working on your bike.
- Keep your sense of humor: This includes the ability to laugh at yourself.
 The act of laughing helps your body fight stress in a number of ways.

6: Absorb a healthy lifestyle

You can also better cope with the symptoms of stress by strengthening your physical health.

- Set aside relaxation time:

 Relaxation techniques such as yoga,
 meditation, and deep breathing
 activate the body's relaxation
 response, a state of restfulness that
 is the opposite of the stress response.
 While reading this, you may feel that
 you don't have time for this, but you
 could reserve a little time for your
 health, spend time with family, visit
 temple, etc. will practically answer this.
- Exercise regularly: Physical activity
 plays a key role in reducing and
 preventing the effects of stress.
 Nothing beats aerobic exercise for
 releasing pent-up stress and tension.
 You could walk a little, at least to the
 grocery, temple, playground etc. with
 family, but keep it a regular exercise
 like cycling, swimming, walking, etc.
 Make time for at least 30 minutes of
 exercise, three times per week.

- Eat a healthy diet: Well-nourished bodies are better prepared to cope with stress, so be mindful of what you eat. Start your day with a healthy breakfast, and keep your energy up and your mind clear with balanced, nutritious meals throughout the day. Eat more vegetables, fruits and nuts than pizza and burgers.
- Get enough sleep: Adequate sleep fuels your mind, as well as your body Feeling tired can increase stress by causing you to think irrationally. Keep your cool by getting a good night's sleep. Minimum 4 to 6 hours sleep is important to be a healthy human.
- Reduce caffeine and sugar: The temporary "highs" caffeine and sugar provide often end in with a crash in mood and energy. By reducing the amount of coffee, soft drinks, chocolate, and sugar snacks in your diet, you'll feel more relaxed and you'll sleep better.
- Avoid alcohol, cigarettes, and drugs: Self-medicating with alcohol or drugs may provide an easy escape from stress, but the relief is only temporary. Don't avoid or mask the issue at hand; deal with problems head on and with a clear mind.

Sometimes stress management isn't enough. If you feel overwhelmed by stress but can't seem to follow through with a stress management program, you could find many free and paid websites for extra help. This can help you relieve stress and replace old emotional habits with healthier ways of thinking, feeling, behaving, and relating to others.

As well as learning why emotional intelligence is so important to your physical and emotional health, you'll also learn two core skills for reducing overwhelming stress: quick stress relief and emotional connection.

- Ouick stress relief: The best way to reduce stress quickly and reliably is by using your senses; what you see, hear, smell, taste, and touch; or through movement. By viewing a favorite photo, smelling a specific scent, listening to a favorite piece of music, tasting a piece of gum, or hugging a pet, for example, you can quickly relax and focus yourself. Of course, not everyone responds to each sensory experience in the same way. Something that relaxes one person may do nothing but irritate someone else. The key is to experiment with your senses and discover the sensory experiences that work best for you.
- Emotional connection: Nothing contributes more to chronic stress than emotional disconnection from ourselves and others. Understanding the influence emotions have on your thoughts and actions is vital to managing stress. Life doesn't have to feel like a rollercoaster ride with extreme ups and downs. Once you're aware of your emotions, even the painful ones you normally try to avoid or bottle up, the easier it is to understand your own motivations, stop saying or doing things you later regret, gain renewed energy, and smooth out the ride.

Once you've mastered these core skills you'll have the confidence to face stressful challenges, knowing that you'll always be able to rapidly bring yourself back into balance.

Sinnathamby Vijayapala

MBA, PgDip, BBA(EUSL), MABE(UK), HNDA, FCPM, LICA, MAAT, FIAB(UK)

We welcome your comments: 0777577788: vijayapala@gmail.com



An Invitation to MBA Holders

Enrol directly into the

Strategic Management Programme of CMA

and qualify as a

Professional Management Accountant

For those who have completed General MBA / MBA Specialised in Accounting / Finance or M.COM

The initial 3 levels of CMA are exempted. Requirement:

Strategic level and Case Study paper at final level

Study at your convenience!

- · e-Learning
- · Self-study material

Contact:

Sumudu: 0773 742 343

directoroperations@cma-srilanka.org

Study Centres:

Academy of Management Education (Tariq - 0773 046 262)

Revision Lectures: CMA (Deshan - 0777 707 839 / 0718 377 399)



The Institute of Certified Management Accountants of Sri Lanka No. 29/24, Visaka Lane, Colombo 04.

Tel: 0112 506391, 0112 507087, 0114 641701-3 **Fax**: Ext.118 **E-Mail**: info@cma-srilanka.org **Web**: www.cma-srilanka.org

Determinants of capital structure and its Relavance to Insurance Industry



1. Introduction

he aim of this paper is to review the existing literature in order to find out the factors that affect capital structure of the companies while giving special reference to insurance industry specific determinant. Further it is expected to discuss the regulatory changes which are immensely important to the future capital structure decisions in growing insurance industry in Sri Lanka.

2. Key words- Capital structure, Trade off theory, Pecking order theory, Insurance Industry

3. Determinants of capital structure

In the corporate finance, determining the capital structure and its components is identified as one major area and it is the base for the most of the research topics. According to Kajananthan and Achchuthan (2013) capital structure can simply be understood in the way a firm is financing its assets through combination of equity and debt, Sarlija and Harc (2012) also have added that the capital structure can be measured as the ratio between debt and total of equity. The real debate on the capital structure started after the publication of the celebrated research publication of Modigliani and Miller in 1958 (Ahmed et al., 2010). This famous research finding is called MM theory and it explains that the selection of debt and equity is independent from the value of the firm (Modigliani and Miller, 1958). This theory initially assumed that the perfect market situation exists and no

(1963) added corporate tax assumption in to MM model which explained how tax saving is based on debt capital level and the overall cost of capital and value of the firm changes accordingly. This nobel prize winning publication created greater oppertunities for future researchers to identify different relationships and determinants in capital structure. Determinants of capital structure derived from various theories (Sangeetha & Sivathaasan 2013). Two main theories of capital structure namely the trade off theory and pecking order theory. Weather it is a trade off theory or pecking order theory, it plays a greater role in corporate desision making. According to the research finding of Graham and Harvey (2002), moderate evidence was found that the companies, which are following trade off theory of capital structure try to adhere to target debt ratios. They try to set their debt ratio according to their company profitability, future prospects etc, whereas companies, which are following pecking order theory always try to avoid equity as a source of financing (Graham and Harvey, 2002). Pecking order theory explains the hierarchy of financing their financial needs. First priority is given to internally generated funds and consequently firms go for debt and as the last resort for equity finanacing. In Sri Lanka most of the companies select the internal funds and debt as their source of financing. Sri Lankan companies hardly go for equity issue. This can justified from the lower number of IPOs in the recent past. Among the researchers and academics, we cannot find the exact

tax world. But later Modigliani and Miller

agreement for the set of determinants of capital structure. Such possible determinants can vary from country to country (Sangeetha & Sivathaasan 2013), industry to industry (Herbert, K. 2011) and every firm to firm. According to Lilith Samarakoon (1999), in United States and other advanced capital markets, there are many of firm's specific variables which affect the capital structure. But we cannot expect many of such variables in the less sophisticated market in Sri Lanka. However Lalith Samarakoon (1999). tested tangibility, market to book assets, size and profitability as a firm specific variables, but found that the firm size is positively correlated to capital structure whereas the firm's profitability shows

loss and from the insurance cover, any individual or the firm try to pass that uncertainty to insurance company. The known payment will be based on the time period the insurance cover is valid. Sri Lankan insurance industry sector represents 1.15% of the nation's Gross Domestic Product (GDP) and accounts for LKR 301.9Bn asset base with 3.3% of the total assets of major financial sectors. According to IBSL annual report-2012, Sri Lankan insurance industry has greater potential to grow since the insurance penetration in Sri Lanka is 1.15% which is lower than the Asian region average of 5.8%. This will create greater opportunity for existing 22 insurance companies and new entrance to capture the emerging

(Amendment) Act 2011, composite insurers have to segregate life and nonlife insurance businesses by February 2015 (AIA Insurance Lanka PLC, Annual Report 2013), Further it is required to submit the model of segregation by December 2013. This requirement may directly or indirectly affect the capital structure of the insurance companies depending on the model they select such as having two separate subsidiary companies for life and non-life or keeping the parent company as their main business and creating a subsidiary for the other. In addition to the segregation, The IBSL by Rule No 01 of 2013 imposed to increase the stated capital to LKR. 500Mn for each class of business (AIA



significant negative relationship. Salawu and Awolowo(2007) have identified that ownership structure, management control, growth oppertunity, profitability, size of the firm and uniqueness of the firm are very important determinants in capital structure choices.

4. Insurance industry in Sri Lanka

According to the Insurance Board of Sri Lanka (IBSL) "Insurance is a risk transfer mechanism whereby individuals and business attempt to transfer some of the uncertainties to another entity, for a known payment, i.e. premium". Here risk is simply the uncertainty of

market opportunities with various insurance products. Among 22 insurance companies as at 2012, 12 were composite insurers, 7 performing as non-life insurers and 3 offering only life insurance (IBSL, 2012).

5. Key regulatory developments related to capital structure

During the last few years, insurance industry has undergone key regulatory developments which affect the operations of players in the industry. According to the Section 53 of the Insurance Industry

Initial Public Offerings
 Insurance Penetration-Total industry premium as % of GDF

Insurance Lanka PLC, Annual Report 2013). This directive will also require insurance companies to adjust their stated capital accordingly and might have impact on capital structure and leverage position of the companies. Similar way, the directives issued by the SEC require all the companies engage in insurance business to be listed in CSE and maintain minimum public holding of 20% (AIA Insurance Lanka PLC, Annual Report 2013). However, the current situation is that only 7 companies are listed with CSE and their current public holdings are even below 5%. Therefore at present the publicly available information about

the capital structure and its determinants in insurance industry is very limited.

In order to adhere to these rulings, companies have to take decisions which are affecting the capital structure. When it is considered about the said facts along with these immense growth opportunities untapped and key regulatory developments which will happen within next few years, it is worthwhile to identify key determinants of capital structure which are especially relevant to Sri Lankan insurance industry.

5. Insurance industry specific determinants

According to Ahmed, Ahmed, and Ahmed (2010) insurance companies are exceedingly interested about the capital structure of their firms since they have to pay for the uncertanities at the time of loss. On the other hand, all the firms face risk in their business operations every time when they take decesions, such a firm cannot take all the risks involved. Therefore, as correctly said by Ahmed, Ahmed and Ahmed (2010), current business world cannot operate without insurance companies. when no insurance company is involved in insurance activities, a single entitiy have to consider the entire risk and once the entity fails to recover from the loss, firm will bankrupt. This shows the requirement of the existence of insurance companies in this world. Simultanously, in order to provide efficient service to the firms, insurance companies need to have capital structure which reduce the risk as well as increase the value of the firm. The study conducted by Ahmed, Ahmed and Ahmed (2010) in order to identify the determinants of capital structure of life insurance companies in pakistan

found that firm size, profitability, liquidity and risks are important determinants of capital structure and life insurance companies follow pecking order theory. Therefore it is very much interesting to conduct a similar type of research in respect of Sri Lakan insurance companies also to identify the real determinants and the capital structure theories relevant to Sri Lankan insurance companies.

6. Gaps in existing literature and direction for future research

In the recent past, no proper studies were carried out to identify the determinants of capital structure in Sri Lankan insurance companies. This may be due to various reasons; especially lack of published information about insurance industry specific determinants (only 7 companies having being listed in CSE) and limitations in parametric generalization (Sample size/n=22). This study can further be improved to identify the differences in respect of determinants of the capital structure of insurance companies before and after the aforesaid changes being implemented by the IBSL and SEC. We can use the findings to compare the changes of determinants in both situations and their relative importance to the capital structure. Because of the suggested developments in the regulatory framework for insurance companies and their capital structures, we can see that a large number of future research can be conducted in this area in Sri Lanka. The possible determinants such as ownership structure, management control, growth oppertunity, profitability, size of the firm and uniqueness of the firm, liquidity and risks (Salawu and Awolowo ,2007; Ahmed, Ahmed and Ahmed, 2010), can be the yardsticks for the Sri Lankan insurance industry also.

References

A.Ajanthan. (2013, June). Determinants of Capital Structure:Evidence from hotel and restaurant companies in Sri Lanka. International Journal of Scientific and Research Publications, 3(6), 8.

Ahmed, N., Ahmed, Z., & Ahmed, I. (2010).
Determinants of capital Structure: A Case of Life
Insurance Sector of pakistan. European journal of
Economics, finance and Adminstrative Sciences (24),
6.

AIA Insurance Lanka PLC. (2013). Annual report 2013. colombo 2: AIA Insurance Lanka PLC.

Graham, J., & Harvey, C. (2002). How do CFOs make capital budgeting and capital structure decisions? Journal of Applied Corporate Finance, 15(1), 16.

IBSL. (2012), Annual Report, IBSL.

Insurance Baord of Sri Lanka. (n.d.). Know more about Insurance. Insurance Board of Sri Lanka.

K, K., & Herbert, K. (2011). Hierarchical determinants of capital structure. Journal of Banking & finance, 35, 12.

Modigliani, F., & Miller, M. H. (1958). The cost of capital, Corporation Finance and the Theory of Investment. The American economic Review, 48(3), 261-297.

Modigliani, F., & Miller, M. H. (1963). Corporate Income Taxes and the Cost of Capital; A correction. The American Economic Review, 53(3), 433-443.

Salawu, R. O., & Awolowo, O. (2007). The determinants of the capital structure og financial firms in Nigeria: The financial managers' perspectives. Global Journal of Business Research, 1(1), 10.

Samarakoon, L. R. (1999, January-June). The capital Sructure Of Sri Lankan Companies. Sri Lankan journal of Management, 4(182), 13.

Sangeetha, M., & Sivathaasan, N. (2013). Factors Determining capital Structure: A Case study of listed companies in Sri Lanka. Research journal of Finance and Accounting, 236-247.

Sarlija, N., & Harc, M. (2012). The impact of liquidity on the capital structure:a case study of Croatian Firms. Business Systems Reseach, 3(1), 30-36.

H. T. Dhammika B.Sc. (Public Mgt.) (USJP) sp, ACMA (SL), MAAT, MBA Finance

(Col) - Reading Factory Accountant - Paints and General industries Ltd dhammikaht@gmail.com T.P- 0773067506 (Mob), 0112637674 (Office)





⁴ CSE-Colombo Stock Exchange

⁵ Sample Stze = 22(no of insurance companies)







High Quality 4"Magic Band



Acculanka (Pvt) Ltd

Importers & Distributes of accurate

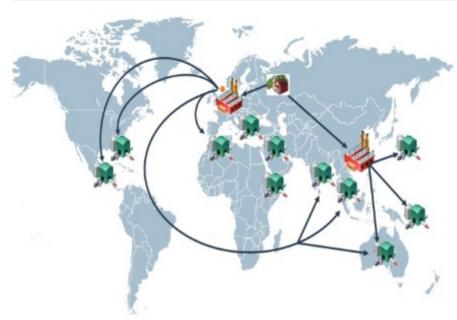
No.130/1,1st Floor,Massenger Street. Colomb - 12, Sri Lanka Tel./Fax; 0112339662, 2325857

Email ; buhar@accurates.biz,

azhar@accurates.biz

Web : www.accurates.biz

Supply Chain Dominence Through "Six Sigma" Application & Valude Chain Enhancement



t is said that the world is not any more a five continental grid but a single village unified by the power of communication technology. Hence the traditional boundaries have fallen apart and replaced with universal trends. Consumers are concerned about final quality rather than the country of origin, paving the way for the businesses to decentralize their production facilities and outsource minority work. This phenomena has increased the value of the suppliers. Therefore the co-existence and dependability on supplier is inevitable.

Supply chain vs. Supply chain dominance

Supply chain is the cohesiveness among the series of suppliers bound to deliver one output. It also indicates the value addition sequence and proportions among these suppliers. As mentioned in the introduction, elimination of suppliers will not solve the problems or reduce the cost for that matter. This concept further explains the fact that all the suppliers have to cater one customer, if the customer rejects the product it will be the downfall of all these related parties. While interrelationship is considered an advantage in the supply chain, the inter-competition among upstream and dawn stream members would hinder the performance. Good example can be drawn from TOYOTA where the world's largest car manufacturer has outsourced some of its processors to other companies and they have maintained strategic alliances with all those parties. Another example would be that, most of the Sri Lankan textile giants have in-house buying offices of their suppliers. The point is to interact the supplier with your business and use their inputs to the production process. In the sense your

supplier has to be close enough to your process to get the best use of him.

The term "Supply Chain Dominance" refers to the degree of dependency that other parties have towards the main supplier in the supply chain. It can be manufacturer, retailer or the distributor. Particularly in high tech industries like computers, OS systems and pharmaceuticals, dominance remains with the manufacturer, A good example would be the MAC Book of Apple, where chief designer John Ive wanted to include a light to indicate the camera is turned on. But aluminum cubes are not transparent to light. Therefore he gathered the designing team and raw-material suppliers to discuss a way deal with it. With the Collective effort of suppliers and the company own designing team, Apple succeeded in producing a machine which would use laser beams to dig holes in aluminum cubes. Interestingly those whole are so tiny that naked eye cannot see it. In this case the suppliers had to work together with Apple inc. to find solution for Apple's problem as those suppliers know their very existence dependent on it.

Controversially, in industries like Food and beverage, FMCG and agricultural products retailer has the main authority and dominance over the supply chain. Wal-Mart being the world's retail giant has ties with many local chine's manufactures. Who will produce tailor made products dedicated to Wal-Mart requirements. Another example can be drawn from the Sri Lankan Supper market retailer "Cargills Food City". The company positioned their main statement as "Lowest price" and



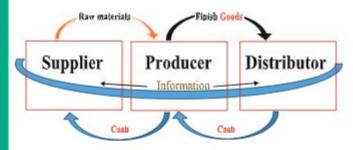
they act on that statement as well. How do they do it? It's due to the companies' ability to exercise pressure on the manufacturers. Cargills, having the largest Supermarket network in the country, would bring any FMCG vendors to its feet.

Supply chain management Practices in the world

India being the largest democratic country is in a new dawn of prosperity and they want to assure their place in the world through proactive investment approaches in their infrastructure. The investment on infrastructure is considered as a direct contribution to the macroeconomic supply chain management behavior in the country. The investment by Indian Industry sector in logistics and infrastructure along stand more than 14% of the countries' GDP. United States has the highest rate of spending on logistic investment. Their collective investment is more than 1 Billion US dollars. Comparatively it is larger than the Mexican economy and stand almost 8% of the US economy. These two figures suggest that weather it is developed or developing country the investment on supply chain in the country is vital for the development and sustainability of that country.

Information Technology & supply chain management

Supply chain is a highly interactive network connected by consistent flow of information, row material finished products and cash. Without proper flow of information there would be no flow of row materials, finish products or cash. Information system is the thread that binds the supply chain. Coordination and affectivity of the process is determined by the relevancy, applicability and the robustness of the information system. Hence various multinational companies invest billions of dollars to enhance their information flow.



As one of the giants in the industry Samsung has never under estimated the power of information system and its effect on the supply chain management. Hence they have made a transformative move in their ERP systems, where they have standardized all of their ERP systems. Earlier they had 115 separate systems in 54 countries but recently Samsung has introduced one standard system for all those 54 countries. And replaced the 115 systems with one unique system. This huge ERP system has increased the knowledge sharing rate among the SBUs. And their business analysts can forecast the business trends before other competitors. Further their levels of creativity and innovation have drastically improved.

Another classic example can be found from yet another giant in the world of business also known as "Coca-Cola". The company has replaced its Previous ERP system and developed a tailor maid end to end system under the "Genesis program". Unlike the



Samsung Coca-Cola had to hire subject matter expert to look after and upgrade their system. Hence they have contracted with CSC (computer science Corporation) one of the pioneers in the IT solution industry to improve their IT infrastructure inside the company. They would identify the errors in the system and upgrade those. They are also helping the company to customize their systems. According to the Chief Information Officer of Coca-Cola , Esat Sezer this new collaboration has been immensely helpful to his company to link all the stores, factories and third party maintained stores and factories with their core business activities.

Advantages of supply chain management

Having said the importance of supply chain management, it is necessary to discuss some merits of this approach.

- Working Capital cycle Reduction: Working capital refers to the amount of money spend by the company on day to day activities. It is also linked with the time factor, longer it takes to cover the regular activities higher the working capital cost. Understanding very fact 'Rocla' an electrical equipment manufacturer in USA has developed their customized supply chain management system. The company has integrated their supply chain management principles with their "Extranet" system. Which helped them to reduce the order time and the lead time resulting drastically drop in working capital cycle. Rocla has claimed that they have saved more than 2.5 man years due to these practices.
- Reduction of Taxes: According to Global Director of indirect Tax in Ernest & Young many companies bear chance to reduce their Total tax expense by carefully maintaining and managing the indirect tax structure. And the proper supply chain management practices would be the ideal mechanism to do this task. According to this argument the logistic cost and storage cost will be reduced significantly with supply chain management and therefore taxes like VAT and customs duties would also follow a drop. Ultimate result being reduction in overall tax expense.
 - Increase in positive cash flow: Businesses need cash in the same way they need profit, if they fail to cash their profits they would meet their natural death more sooner than not. When there is an established structure of supply chain the cash to cash cycle become swift. Sings the supplier is an internal part of the business their delivery is on time and the company can easily control their

distributors using the latest technologies like GPS. So the distribution become more dependable and timely, which results in on time receipt of the payments. Due to advanced e-cash options remittance of the money would also happen in a short time spam. Ultimately, resulting positively to the cash flow in the company.

 Increase in revenue: According to "Mercer Management Consulting" study the companies can reduce 50% of their inventories if they apply proper Supply chain management principles. Which has a direct influence on stock holding cost and the operational cost. And as a respective cost of goods sold will be reduced enabling the company to involve in more and more sales. This will ultimately result in increase of revenue in the organization. According to the above mentioned Mercer study companies have a chance to increase their sales by 17% if they comply with best practices of SCM.

Six sigma as a supply chain tool

Six sigma is the ultimate waste elimination technique preferred by almost all the fortune five hundred companies. This method would not only eliminate the companies waste but also improve the current processors. In plain language six sigma means six defects per million outputs. That means any company which implements six sigma would only have six or less error filled products when they produce million products. We can trace back the incidents of world's largest electrical conglomerate Samsung to get examples on best practices of six sigma. The company has a long history with supply chain management as the initial implementation of this strategy happened somewhere in early nineties. Sing's then they have successfully upgraded the supply chain until they realized this process can be amplified with the use of another tool. Therefore in 2004 Samsung management decided to use six sigma along with supply chain management. The result was amazing, and the company has improved its supply chain efficiency in large proportion. Samsung admits that their capability to innovate has reached a different level due to the synergic effect of SCM and Six Sigma. To convert the ordinary process in to a six sigma Process Samsung has followed



five principles those are Project discipline, Sustaining results, Well-established HR framework, Quantitative strength. Currently the company benchmarks General Electric, Honeywell and DuPont to improve their practices.

TPS is another famous customize example for six sigma. Which is also known as Toyota

Production System. In TOYOTA the production is based on a technology called Lean production

A technology that specialized in eliminating the non-value adding activities. Hence the Toyota

Motors have inculcated the lean production in to the six sigma production. The results was

Unbelievable as the lean system would reduce the wastage and idle time of the process when the

Six sigma will enhance the performance of the process. It was a fast diagnostic and

Implementation system. These two cases indicate that the supply chain can have a synergic effect

if the six sigma practices are also used parallel. General Electrics has been able to save more than

2 Billion dollars due to six sigma. And the amount of saving due to Six sigma in Johnson &

johnson is 500 million. As the facts clearly explains many multinational businesses have been

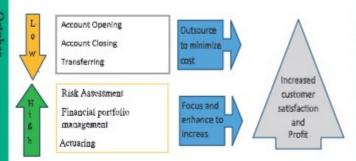
benefited with the use of six sigma parallel to the supply chain management principles.

Value Chain Analysis

This concept explains about the value creation process within the organization. It is more internal approach than external. The method is famously used as a tool in many businesses across the globe. It is used hand in hand with many operational strategies and commonly used as a strategic management tool as well. Key feature of this approach is that it will enable the organization to maintain effectiveness and efficiency both at the same time. Another advantage of this approach is that any level of business can deploy this method, even SME (Small and medium enterprise). Many FPOs (Financial process outsourcing) and BPOs are greatly facilitated by this approach. Particularly in Sri Lanka FPO becoming a growing trend, as BOI approval and government support is focused on this sector now. The leading FPO partner in Sri Lanka "HSBC Security services" provides various banking services to Briton, Hong Kong and various other countries. If you analyze the reason all these banks found out that they take more effort in terms of time and money to do things like account closing, opening and transferring and they have found out they can better focus on other activities like risk assessment, financial portfolio management, actuaring which will give them better advantage. In this method the bank can improve their value creation by involving in more value adding activates and out sourcing non value adding activities to another business.



Figure 2: FPO Value Chain



In this regard the outsourcing activity need not to be always a secondary activity, even it can be a primary activity. Classic example would be Starbucks whose main business is high quality coffee beverages. But the production of coffee beans is not done by the company although they have multinational business discipline with international assert base. Instead they have outsourced the coffee bean production activity to farmers in Africa and China with whom they have entered in to long term strategic alliances. Another example can be seen from the supermarket Giant Walmart, the case in which they have out sourced many elements of inbound logistics, where housing and transportation to external contractors. By doing so the company has managed to reduce cost in a larger proportion. Unilever Sri Lanka has done similar thing to their hiring and firing practices as they have appointed man power agencies to recruit production offices and some executives for them and their salary payment, creation of labor contract and the retirement/ termination of the contract is done by those man power agencies.

Combine strategy for supply chain Dominance

As the article concentrated in many occasions six sigma and value chain analysis should be used together in order to get a higher supply chain performance. In this regard the writer has come up with following model that can be used as a strategy to amplify the supply chain value hence paving the way to supply chain dominance.

Supply chain synergy module:

After analyzing the cases the writer has concluded that six sigma and both value chain should be combiningly used. Therefore this model would unite the efforts of Six sigma and value chain under a single discipline to tame the Supply chain anomalies. Following explanation covers the functionality of this module.

Step one: It starts with analyzing the business scope and identifying the core activities that would add value to the organization and also non value adding activities that would only delay the process or increase the cost of it. After eliminating those non value adding Activities Company has to analyze further the cost and benefit of the processes if they were done in-house vs. if they were completed by out sourcing agency. And if it doesn't affect the strategic fit of the organization company may

outsource their some activities those had cost than benefits in completing in-house.

Step Two: In step two the company has to develop the DMAIC cycle. In this cycle the company is adopting the six Sigma principles. They would design, measure, analyze, improve and control the processors to improve the efficiency and eliminate errors

Step Three: This is where the suitability of the designed Six Sigma process is tested. At the starting point six sigma auditors check the relevancy of the upgrades in the process to that of objectives in the company. And then they analyze weather the upgraded processors have the realistic usage. In the sense can and have these outcomes been achieved. If this process continuously achieves the six sigma targets then the company can go for the next step.

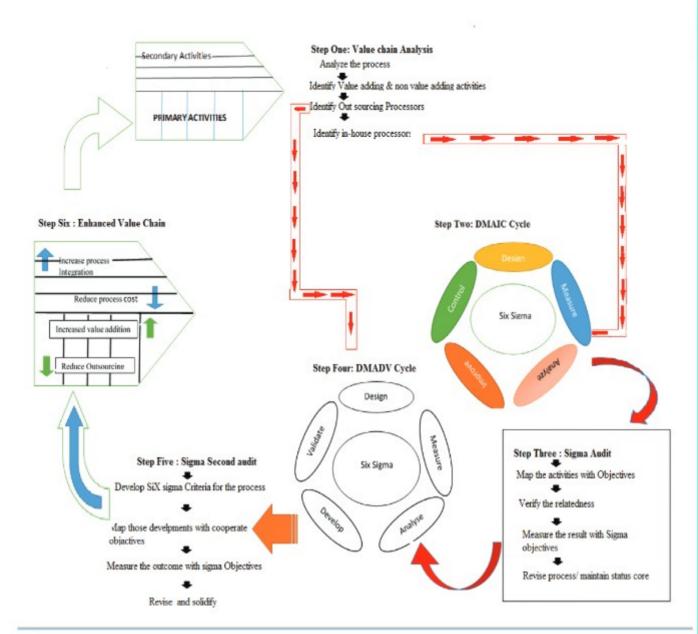
Step Four: Another Cycle of six sigma can be found As Design, measure, Analyze, Develop, validate. This is more suitable for new processors, Or out sourced processors which will be brought back to do in-house near future. And this new processors has to be designed with the six sigma principles. Unlike DMAIC Cycle DMADV cycle is specialized in designing the six sigma quality from the scratch. Hence the company can try and design new processors that will reduce the work being outsourced.

Step Five: In this phase the second Audit takes place where the Audit is emphasis on the newly developed processors. These processors are yet to be tested so first of all the strategic fit of those new processors should be tested. And they should be revised until you find the real fit with objectives. After doing that the systems should be solidified means the ideal process should be identified and adopted.

Step Six: This is the most important step where the existing value chain will be replaced with the new one. And the new value chain might include more in-house task than previous chain or different strategic alliance. And this value chain adds more overall value than previous model, with less wastage.



Figure 03: supply chain synergy module



References:

- 1) Armistead, C. and Machin, S., 1997. Implications of business process management for operations management. International Journal of Operations & Production Management, 17 (9-10)
- 2) Eisenhardt, K.M. and Graebner, M.E., 2007. Theory building from cases: Opportunities and challenges. Academy of Management Journal, 50 (1), 25-32.
- 3) Hoekstra, S.J. and Romme, J.M., 1992. Integral Logistic Structures: Developing Customer-oriented Goods Flow. London: McGraw Hill.
- Kärkkäinen, M., Holmström, J., Främlin,g K., Artto, K. (2003), "Intelligent products—a step towards a more effective project delivery chain," Computers in Industry, Vol.50,pp.141–151.
- 5) Meyer, G., Främling, K. and Holmström, J. (2009), "Intelligent Products: A survey," Computers in Industry, Vol. 60, pp. 137-148.
- 6) Tilanus, B. (1997), Information systems in logistics and transportation, Elsevier Science Ltd.
- 7) Yin, R. K. (2003), Case Study Research Design and Methods, Third Edition, SAGE Publications, Thousand Oaks, US.

A. Hasintha S. Pemerathna

Doctorial candidate, MBA(Phil), MBA(Usa), ACPM(Asia), CPM(India), MIM, AMSLIM





CPM Evening Presentation;

"Growth Strategies for Value Propositions and Business Units"



The Institute conducted another successful evening presentation on "Growth Strategies for Value Propositions and Business Units" in collaboration with the Sri Lanka Foundation (SLF), on 08th May 2014.

The presentation was made by veteran marketer Dr. Ranjan Madanayake, Managing Director-Phoenix Business School Pvt. Ltd.



Dr. Madanayake explained how to achieve that growth and shared valuable insight with his vast experience. The audience found the examples he quoted quite relevant to their own situations.

Dr. Madanayake stated; "Every company would have the desire to grow if there is an opportunity. Relying on a single business unit or a few products may expose a company to greater risk of competitive pressure. Hence, growth is a desirable endeavour for business or organisational sustenance".



The presentation concluded with a question and answer session. The number of questions showed how much the audience was interested in what was presented.

Prof. Lakshman R. Watawala-President of CPM, Mr. M.B. Ismail-Treasurer of CPM, Mr. Samantha Rathnayake-Consultant Academic Affairs of SLF, Mr. Dilhan Goonetilleke & Dr. Madhu Fernando-Chairperson of GIPM were at the head table.

www.cpmsrilanka.lk

The CPM official web site www.cpmsrilanka.lk was ceremonially launched by the President & the Members of the Governing Council at the AGM held on 05th September 2014. Through this newly launched web site, membership can benefit through, better interaction with other members, periodical updates, head hunting and recruitment through personal contacts, payments through electronic means and many other membership benefits are offered to the membership.

This benefits are coming in addition to the discounts, memberships are entitle in various sales outlets island wide enjoyed by the CPM members.





In a bid to strengthen the ties between the institute and the members, Institute introduced the Membership Card, which provides recognition to our members.

Members should be produced this card for all activities of CPM.



06th Annual General Meeting of the Certified Professional Managers (CPM)

The most important annual event for members of Certified Professional Managers, AGM was recently successfully concluded at Hotel Taj Samudra-Longdon Room on Friday, 05th September 2014. CPM members who are holding high managerial positions in a large spectrum of industries and organisations gathered in numbers to usher this occasion. A special council meeting comprising of all the council members of CPM was held before commencing the AGM.





The founder of the CPM and the President of the Institute, Professor Lakshman R. Watawala welcomed the distinguish gathering and called the meeting to order. The President highlighted the notable improvement of the numbers of membership against the previous year and more importantly how well CPM has performed in managing the income over expenditure. An open invitation was extended to all the members who were present, to extend their active involvement with all CPM activities to make the membership more meaningful and beneficial. Professor Watawala concluded his opening address with a big thanks to the staff of CPM for the commitment and hard work discharged in the year gone by.

The AGM was concluded with a happy note after the networking evening tea.







CPM Geared up the Education & Training Committee

A long felt need for members of CPM were fulfilled with the formation of Education & Training Committee in month of September 2014. As an upcoming leading Professional Body to govern the needs of one of the most sorted professional managers, the requirement to establish a regulation arm to manage specific member's expectations in the area of education, training and career development will be the main scope of the newly formed E & T committee.

Objectives of this committee are defining the educational needs of the membership, assuring compliance with CPM requirements, creating educational programs to support recertification, professional development and teaching, and assessing how well the organizations meets those needs.

Two most experience personalities in the arena of professional education and management today are the key advices from the very top.

President of CPM Prof. Lakshman R. Watawala and the Governing Council Member, Mr. Priantha Seresinhe comprises the advisory personal. An Experience professional / academic Mr. Samantha Rathnayake has been appointed as the head of the E & T Committee to coordinate all the activities. Committee members are carefully selected for their services rendered and expertise in education and training sector. Following are the list of committee members;

Name of Member	Designation	Organization
Mr. Samantha Rathnayake	Director Studies	Sri Lanka Institute of Training and Development
Mr. Thenuka Bandara Dissanayaka	Accountant	Nawaloka Hospitals PLC
Mr. Pradeep Rohan Collas	Head of Bancassurance	Bank of Ceylon
Mr. M.F. Hibathul Careem	Registrar	Sabaragamuwa University of Sri Lanka
Mr. M.M.M. Rizley	Management Information & System Analyst	M.C. Abdul Rahim & Bros. (Pvt.) Ltd.
Mrs. Shiromi Devika Gunawardena	General Manager-Marketing	Bluescope Lysaght Pvt. Ltd.
Mrs. Primrose Mascarenhas	Manager - Human Resources & Administration	N. Vaitilingam & Co. (Pvt.) Ltd.

Key areas to address are clearly identified and defined and detail action plans will be formulated for the below earmarked areas. Subcommittee to be formed in each identified area.

- Develop, conduct, promote and manage the management courses for CPM.
- Work to Grant exemptions & recognition for CPM courses from local & foreign institutes and universities.
- Promote MBA programs franchise with foreign universities.
- Conduct e short and middle term workshops focusing public and & private sector in English and Sinhala medium.
- Conduct evening presentations / tea talk sessions once in two months.

In addition it's also plan to enter in to strategic alliances with other leading professional bodies, banks, government and private universities and form partnerships with leading institutions both local and abroad.



CPM Fellow Member Mr. Jayantha Dharmadasa appointed as President of Asian Cricket Council



Mr. Jayantha Dharmadasa, who is the President of Sri Lanka Cricket has been appointed as the President of Asian Cricket Council recently. Mr. Jayantha Dharmadasa takes over from Mr. N. Sirinivasan who was the President from the year 2012.

Mr. Jayantha Dharmadasa is a fellow member of the Institute of Certified Professional Managers (FCPM). In addition, Mr. Dharmadasa has been appointed as the Honorary Consul General for Singapore in Sri Lanka and also a board member in multiple organizations including the Board of Sri Lanka Telecom PLC as an independent Non Executive Director, since May 2010, the Director of SLT Visioncom (Pvt) Ltd, SLT Manpower Solutions (Pvt) Ltd and Galadari Hotels (Lanka) PLC.

Whilst enjoying the directorship at various business organizations, Mr. Jayantha Dharmadasa is the Chairman of Nawaloka Holdings (Pvt) Ltd. Thus, his leadership as a chairperson broadens the management to Nawaloka Medical Centres (Pvt) Ltd, Nawaloka Metropolis Clinical Laboratories (Pvt) Ltd, Nawaloka Constructions Co (Pvt), Nawaloka Polysacks – Sharjah, Sasiri Polysacks (Pvt) Ltd, Nawaloka Aviation (Pvt) Ltd, Ceyoka (Pvt) Ltd, Nawaloka Trading Co. Ltd, Kola (Pvt Ltd), Concord Ventures Exports Lanka (Pvt) Ltd, Sahas Wear (Pvt) Ltd, New Ashford International (Pvt) Ltd, Nawaloka Petroleum (Pvt) Ltd, and Nation Lanka Finance PLC. He was also a Director of NAITA and was the President of Sri Lanka Cricket and Asian Cricket Council in 2005.

A respected gentleman in his own right, Mr. Dharmadasa follows the legacy left behind by his father and founder of Nawaloka Group of Companies, Late Deshamanya H.K Dharmadasa.

CPM Fellow Members honored the Professional Excellence Awards

CPM Fellow Members honored the Professional Excellence Awards at the CMA National Management Accounting Conference held on 18th June 2014 in appreciation of their outstanding contribution to uplift the accounting profession, public, private sectors, and society.

At the Conference held at Hotel Taj Samudra, CMA Institute honoured the Fellow members of CPM Mr. Susantha Silva, Managing Director of Ceylon Petroleum Corporation & Mr. Kudabalage Piyadasa, Managing Director Sri Lanka Insurance Corporation.

At this awards ceremony selected prominent characters who have excelled in business management and made their vision a reality for the company driving growth, success and profitability. Some of the qualities including innovation, community service, brand building, diversification, management accountings skills as well as the leader's ability to formulate strategies and capitalize on key trends are other key criteria that have been considered.

The awards were distributed by the Chief Guest, Hon. D.E.W. Gunasekara, Senior Minister of Human Resources and the Guest of Honour, Mr. Suresh Kumar Shah, Chairman of Ceylon Chamber of Commerce. Also present at the function was the Key Note Speaker Prof. Ho Yew Kee & President of CPM Prof. Lakshman R. Watawala.

The occasion was graced by a distinguished gathering – members of CMA & CPM, business leaders and heads of Government Institutions. Also present were foreign participants from India, Pakistan and Bangladesh.









CPM Fellow Member Capt. Ajith Peiris takes helm at CASA

Captain Ajith Peiris, the Group Managing Director of Ceyline Group of Companies, the most diversified maritime group in Sri Lanka, was recently elected the 24th Chairman of the Ceylon Association of Ships Agents (CASA). This is the second time Capt. Peiris has been elected the Chairman of CASA. He served as Chairman from 2006 to 2009. Speaking at the AGM, Capt. Peiris called on all parties to work together to bring prosperity to the country and to achieve Maritime Hub status for Sri Lanka. He further stated that the Sri Lankan shipping agencies generate US\$300 million plus per annum contributing significantly to the country's foreign exchange earnings.

CASA, which held its Annual General Meeting recently at the Kingsbury Hotel Colombo, is the largest and most recognized shipping industry trade body in Sri Lanka, established 70 years ago. Today, this prestigious organization represents 130 shipping agency companies including most of the major international shipping lines, acting as the leading voice for Sri Lanka's fast growing maritime industry. Collectively, the CASA represents main liners, feeder ships, passenger ships, break bulk vessel agencies, agencies for casual callers, maritime security firms and agencies for vessels calling for bunker, repairs, supplies and other ancillary services of the maritime industry. The economic activities of CASA members add over \$ 300 million to the Sri Lankan economy every year, and markets Sri Lanka as a key maritime destination within the ocean trade routes.

CASA was formed as a Shipping Committee in the year 1944. It was registered as an Association in 1966 and was known as Ceylon Association of Steamer Agents (CASA). It was subsequently renamed as Ceylon Association of Ships Agents.

CASA works very closely with Directorate General of Merchant Shipping, Sri Lanka Ports Authority, Sri Lanka Customs, Department of Immigration and Emigration of Sri Lanka, Sri Lanka Navy, South Asia Gateway Terminals, Colombo International Container Terminals (CICT), Sri Lanka Freight Forwarders Association and Sri Lanka Shippers Council.

CPM Member, Toastmaster Ashroff Zuhair awarded TOASTMASTER INTERNATIONAL DISTRICT 82 GOLDEN GAVEL PLUS AWARD



Toastmaster Ashroff Zuhair was recognised at the District 82 Annual Conference namely Ovation 2014, held at the Holiday Inn Resort in Goa, India. Over 400 delegates from India and Sri Lanka participated for the Ovation 2014

At this conference President Ashroff Zuhair's AATSL Toastmasters Club was recognised and awarded the Golden Gavel Plus Plague and Golden Gavel for achieving all 22 set targets by the District 82.

This is a historic occasion as for the first time ever the Club's President received this prestigious Toastmasters District 82 award. Golden Gavel Plus is the highest award a toastmasters club can achieve.

Club members whole heartedly supported and rallied around the club President Toastmaster Ashroff Zuhair towards achieving this goal which is a symbol of excellence.

Toastmasters International is a world leader in communication and leadership development with a membership base of 292,000 in 14,350 clubs in 122 countries that make up our global network of meeting locations.

TM Ashroff Zuhair has been appointed as the Area Governor of District 82, Division E, Area 4 for the period 2014-2015 and he recently attended for the Toastmaster International Convention held in Kuwalampur, Malaysia from 24th to 27th August 2014.

Journal of the Certified Professional Managers

The views expressed in this publication are purely personal judgments of the authors and do not reflect the views of the Institute of Certified Professional Managers of Sri Lanka.

The views expressed by outside contributors represent their personal views and not necessarily the views of the organizations they represent.

All efforts are made to ensure that the information published is correct. The Institute of Certified Professional Managers is not responsible for any errors caused due to oversight or otherwise.



New CPM Memberships Awarded During April to September 2014

Fellow

Mr.M.N.M. Ali Ahlam (FCPM00213) Group Head - Business Development

Alliance Finance Co. PLC

Mr.S.W. Gamage (FCPM00214) Deputy General Manager (HR & Admin) Ceylon Petroleum Corporaton

Mr. M.F. Hibathul Careem (FCPM00215)

Registrar

Sabaragamuwa University of Sri Lanka

Mr. J.M. De Zilva (FCPM00216)

Assistant General Manager/Head of Internal Audit

Pan Asia Banking Corporation PLC

Mr. E.M.N. Edirisinghe (FCPM00217)

Assistant General Manager (Branch Operations & Credit)

Pan Asia Banking Corporation PLC

Mr. B.W.U. Jinadasa (FCPM00218)

Accountant

Harischandra Mills PLC

Mr. A.C.H. Munaweera (FCPM00219)

General Manager

National Livestock Development Board (NLDB)

Mr. R.L.S. Senaratne (FCPM00220)

Assistant Company Secretary

Sampath Bank PLC

Member

Mr. N.M.H. Mubarak (MCPM00531)

Deputy Director of Studies

(Business Development and Expansion)

Institute of Personnel Management Sri Lanka (Inc.)

Mr. F.S. Mariathasan(MCPM00532)

Senior Executive - Treasury Hemas Holdings PLC

Mr. G.P. Upananda (MCPM00533)

Executive Assistant

Ceylon Petroleum Corporation

Mrs. A.M.V.B. Abeysinghe (MCPM00534)

Director T & A Car Sales

Mr. A.K.S. De Alwis (MCPM00535)

Accountant

Aquamarines International Pvt. Ltd.

Mr. W.K.S. Gunawardhane (MCPM00536)

Head of Health, Safety & Environment

Ceylon Petroleum Corporation

Mrs. S.D. Gunawardena (MCPM00537)

General Manager-Marketing

Bluescope Lysaght Lanka Pvt. Ltd.,

Mr. P.G.D.D.R. Silva (MCPM00538)

Head of Department - Procurement & Assets

World Vision Lanka

Mr. P.M.M. Jasith (MCPM00539)

Financial Analyst, Zamil Steel Holding Co. Ltd.

Mrs. N.K. Dharmawardhana (MCPM00540)

Internal Auditor

National Institute of Business Management

Mr. M.B.G. Wimalarathna (MCPM00541)

Finance/ Administration & Procurement Manager Sky Network (Pvt) Ltd. (Sri Lanka Telecom Group)

Dr. A.H. Mullegama (MCPM00542)

Medical Officer - Sri Lanka Navy

Naval Headquarters

Mrs. N.J.S. Nagasena (MCPM00543)

Senior Assistant Manager International Marketing

Samson Rubber Industries (Pvt) Ltd

Mr. M.S.M. Azmy(MCPM00544)

Senior Manager

Learning & Development Amana Takaful PLC

Mr. N.S.K. Chandrasiri (MCPM00545)

Motor Engineer

Co-operative Insurance

Mr. K.W.S. Pushpalal (MCPM00546)

HR Manager

Ceylon Petroleum Corporation

Mr. P.M.D.G. Premathilaka (MCPM00547)

Manager - Finance

Kurunegala Plantaions Ltd.

Mr. P.L. Dhanushka (MCPM00548)

Accountant

E-Futures Pvt. Ltd.

Mrs. K. Hewagamage (MCPM00549)

Manager-Deputy Procurement

Ceylon Petroleum Corporation

Mr. P.B.C. Peera (MCPM00550)

Human Resources Manager

Vivantha Bentota Sri Lanka (Taj Hotel)

Mr. M.C. Nazar (MCPM00551)

Senior Lecturer

South Esstern University

Mr. V. Vasanthan (MCPM00552)

Management Accountant

D.S.S. Polesack (Pvt.) Ltd.

Mr. C. Martinez (MCPM00553)

Executive Incharge

Kanrich Finance

Mr. N.S. Gannoruwa (MCPM00554)

Group Accountant

Seetha Holding (Pvt.) Ltd.

Mr. D.C. Gankanda (MCPM00555)

Head of Human Resources Edna Group of Companies

Mr. MJehavannan (MCPM00556)

Zonal Manager-Eastern Union Assurance PLC

Mr. G.A. Yahampath (MCPM00557)

Leads Institute

Head of IT

Mr. R.K.W. Abayasiri (MCPM00558)

Manager-Finance

Monaco Marine (Pvt.) Ltd.

Mr. W.G.H.M. Mangala (MCPM00559)

Assistant Manager-HR

TKS Finance Ltd.

Ms. A.S. Premakanthi (MCPM00560)

Manager-Economic & Scheduling

Ceylon Petroleum Corporation

Mr. H.K. Marasinghe (MCPM00561)

Senior Manager-Engineering Services

Sampath Bank PLC

Mr. S. Nagalingaraj (MCPM00562)

Chief Accountant

Le Meridien Dubai Hotel & Conference Centre

(U.A.E.)

Mr. A. Jayaasith (MCPM00563)

Assistant Manager

People's Bank

Mr. K. Gowriswaran (MCPM00564)

Program Officer

UNICEF

Mr. J.S. Kahawandala (MCPM00565)

Audit Examiner

Auditor General's Department

New CPM Memberships Awarded During April to August 2014

Associate

Mrs. M.J.S. Cooray (ACPM00957) Administrative Assistant CA Sri Lanka

Mr. G.R.P.L. Abeywickrama (ACPM00958) Accounts Clerk Ceylon Electricity Board

Ms. K. Sinduja (ACPM00959) Assistant Management Accountant Greenfield Bio Plantations

Ms. A.B.D.A.R. Victorian (ACPM00960) Cost Executive

Cost Executive Hela Clothing (Pvt.) Ltd.

Mrs. M.P.G.N.P. Cooray (ACPM00961) Graduate Trainee Ceylon Petroleum Corporation

Mr. K.L.M. Irzath (ACPM00962) Executive Officer Bank of Ceylon

Mr. M.P.Y.R. De Silva (ACPM00963) Senior Accounts Officer Direct Reduction Iron Company Ltd.

Mr. K.G. Chandana (ACPM00964) Hotel Controller Unawatuna Beach Resorts

Mr. L.M.H.T. Amarakoon (ACPM00965) Accounts Executive Informatics International Ltd.

Mr. A.B.M. Sehan (ACPM00966)
Asst. Manager-Accounts
Direct Reduction Iron Company Ltd.

Mr. U.S.C. Wilathgamuwa (ACPM00967) Asst. Accountant

Civicon Engineering Services Pvt. Ltd. Mrs. R.S.A.K. Alwis (ACPM00968)

Executive Assistant Ceylon Petroleum Corporation

Mr. A.H.M. Azam (ACPM00969) Award Management Officer Save the Children International

Mr. P.L.G.A.S. Cooray (ACPM00970) Manager-MIS & Deputy Finance Manager CML MTD Constructions Ltd.

Mr. I.C. Galgodage (ACPM00971) Graduate Trainee Ceylon Petroleum Corporation

Mr. P.F. Dickson (ACPM00972) ADP Accountant World Vision Lanka (Guarantee) Limited

Mr. M.R.M. Imrankhan (ACPM00973) Accounts Executive EAM Maliban Textiles (Pvt.) Ltd.

Mr. D.S. De. S. Jayasinghe (ACPM00974) Chief Accountant Al Musbah Trading Group - KSA

Ms. P.A.D.N. Sulochani (ACPM00975) Finance Executive Idea Holidays (Pvt.) Ltd. Mr. M.N. Fernando (ACPM00976) Assistant Accountant BC Agro-tronics (Pvt.) Ltd. (Bartleet Group)

Mr. D.M.C.K. Jayathilaka (ACPM00977) Audit Examiner

Auditor General's Department

Mrs. C.N. Gurusinghe (ACPM00978) Partner Gurusinghe Enterprises Proprietor

Mrs. V.N.M. Perera (ACPM00979) Management Assistance Nationl Water Supply & Drainage Board

Mr. K.G.D.C. Thilakarathna (ACPM00980) Management Assistance Nationl Water Supply & Drainage Board

Mr. A.H. Ratnayake (ACPM00981) Clerk (B2) Ceylon Petroleum Corporation

Mrs. R.K.S. TRanasinghe (ACPM00982) Clerk (B2) Ceylon Petroleum Corporation

Mr. J.A.M.S. Karunarathna (ACPM00983) Clerk (B3) Ceylon Petroleum Corporation

Mr. H.V.M. Gunaratne (ACPM00984) Clerk (B3) Ceylon Petroleum Corporation

Mr M.K.M.S. Kuraish (ACPM00985) Accountant AL-Zarooni Air Conditioning LLC

Mr M.K.M.R. Kuraish (ACPM00986) Accountant Midcity Marketing (Pvt.) Ltd.

Mr. S.D.L.J. Sandadilum (ACPM00987) Accountant Premier Pharmaceutical (Pvt.) Ltd.

Mr. M.M.M. Ilham(ACPM00988) Senior Auditor

Mazars Ahmed Tawfik & Co.

Mr. J.A.M.S. Karunarathna (ACPM00989)

Clerk (B3) Ceylon Petroleum Corporation

Mr. H.V.M. Gunaratne (ACPM00990) Clerk (B3) Ceylon Petroleum Corporation Mr. K.D.D. Fonseka (ACPM00991)

Divisional Manager Mega Pharma (Pvt.) Ltd. Mr. G.C.P. Peiris (ACPM00992)

Credit Supervision Executive Wijeya Newspapers Ltd.

Mrs. B.K.T.I. Gunasekara (ACPM00993) Clerk (B3) Ceylon Petroleum Corporation

Mr. J.A.N. Jayaweera (ACPM00994) Executive-Finance

TKS Finance Limited

Mr. H.D. Priyadarshana (ACPM00995) Asst. Manager-Finance Screenline (Pvt.) Ltd.

Mr. H.P.B.R. Jayasuriya (ACPM00996) Account Assistant Loadstar (Pvt.) Ltd. Mrs. W.G.N. Thilakarathna (ACPM00997) Executive Union Bank of Colombo

Mr. I.S.M. Najran (ACPM00998) ICT Assistant Provincial Department of Education-Eastern Province

Mr. M.S.M. Najath (ACPM00999) Accountant Mack Civil Engineering

Mr. D.A. Kumara (ACPM01000) Deputy Manager-Operations WNS Global (Pvt) Ltd

Mr. M.H.M Hakeem (ACPM01001) Chief Accountant Everlight Group

Mr. J.A. Ahamed (ACPM01002) Management Assistant SVJA Marketing

Mr. H.A.S.C. Hettiarachchi (ACPM01003) Audit Trainee Ernst & Young

Mr. B.A. Mafaz (ACPM01004) Assistant Audit Manager SIMS Associates

Mr. S.H.M. Hamzath (ACPM01005) Accountant Bluelake Consulting W.L.L.

Mr. W.D.A.U. Weerarathne (ACPM01006) Audit Trainee Ernst & Young

Mr. S.A. Vinoth (ACPM01007) Executive Officer Bank of Ceylon

Mr. A.B. Koralegedara (ACPM01008) Executive Assistant Ceylon Petroleum Corporation

Mrs. B.P.C. Kulathilake (ACPM01009) Executive Assistant Ceylon Petroleum Corporation

Mr. K.L.R.C. Sahabandu (ACPM01010) Executive MIT Cargo (Pvt.) Ltd.

Mr. T.E.M. Rushan(ACPM01011) Chief Accountant Imar Trading & Contracting Company

Mrs. S.D. Ratnayake (ACPM01012) Management Assistant Ceylon Petroleum Corporation

Mr. B.C. Udugama (ACPM01013) Cordinating Secretary for Member of Parliament

Mr. B.S. Mendis (ACPM01014) Assistant Accountant Co-operative Insurance Company Ltd.

Mr. M.L.M. Farshad (ACPM01015) Audit / Accounts Trainee MSM Jiffry & Co.