



# CERTIFIED MANAGER

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## EDITOR'S PEN



Dear All, Welcome to Certified Manager!

We are very proud to deliver our Certified Manager Journal 2018 Volume 2, which is a key vehicle to CPM to explicit our talents and performances to our members and the business community.

I am privileged to express my feelings today at our CPM AGM 2018, that our CPM Journal is positioning as one of the pioneer Journal in Sri Lanka and beyond the shore, in the multi-disciplinary thematic areas of Business, Management, and Administration. In addition, it's disseminating the knowledge in the required and relevant fields of soft skills, communications, tourism, digitalizing, environment, talents, entrepreneurship, banking, marketing, grooming, medicine, engineering, taxation and economics that are essential for our CPM calibers to become an eminent Manager.

This Volume 2 is mainly highlighting our CPM Regional Management Conference 2018, along with a key feature interview and five selected articles after the blind fold peer-review and plagiarism checking process. In this juncture, our talented editorial panel wishes to capacity build our potential authors to produce quality articles, which will be good opportunity for all CPM Managers, authors, academics, scholars and entrepreneurs to pen their research findings and knowledge sharing in a standard reader friendly format.

Once again, I wish to express my open invitation to all potential authors to use this Journal as a platform to show case your experience and knowledge sharing by producing quality articles. This opportunity is exclusively for CPM members, but others too welcome to craft it with CPM member/s as a joint article, which merge the practical and theoretical essence of knowledge dissemination.

I would like to express my sincere appreciation to our talented editorial panel, authors, CPM Council, Secretary of Journal Committee and Printers and for their continuous support for the successful delivery of the Certified Manager. I look forward to continuing this fruitful relationship and wish to receive productive feedbacks from the readers circle to make our Certified Manager as a most valuable dissemination tool to our Professional Community.

Wish you all the best,  
Thanking you,

*Srinathambiy Vijayapala*

Alternate Chairman & Chief Editor  
CPM Journal Committee

## NOTICE BOARD

We have introduced two new pages for members to share their feelings; please effectively utilize it by sharing your thoughts.

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We encourage all members to share your valuable comments, suggestions and feedback for the articles published in this Volume.

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Please share your most outstanding national and international level achievement, which we could explore it in the Certified Manager.

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## MESSAGE FROM **PRESIDENT**



I am indeed delighted to share my thoughts to the Institute's official journal "Certified Manager".

As we witnessed, over the past years the journal has advanced speedily with quality management articles providing managers with new thoughts and direction in managing organisations.

The "Certified Manager" is not only a journal which provides technical knowledge, but also gives a widespread profile of the Institute giving news and events to its members.

It is heartening to note that many members have shown keen interest in continuing professional

education and professional networking with the successful 'CPM Evening For Managers' presentations. We expect a feedback from our members and readers, which will positively help us to further develop & expand the next Journal with more constructive ideas.

I sincerely express my gratitude to the Chairman and Members of the Committee, Editorial Panel and Staff of CPM for their fine contribution. I also take this opportunity to give a special word of thanks to the author of the lead article Dr. Ravi Fernando and the other authors of articles, sponsors and those who contributed to the success of the journal.

*Prof. Lakshman R. Watawala*  
President

## MESSAGE FROM **CHAIRMAN** JOURNAL COMMITTEE



It gives me great pleasure in bringing forth the second issue of "Certified Manager" for this year. This issue too is enriched by the contributions from personalities who are eminent or knowledgeable in their respective fields.

We are making every effort to include in the Journal, worthwhile contributions from any of our members while also communicating important events and any relevant information to our members.

I wish to express my thanks to all contributors of articles and to all who contributed towards bringing out this edition and in no small measure to the advertisers who continue to patronize our Journal.

I also sincerely thank the members of the Journal Committee and Editorial Panel for their invaluable contribution. I am sure that information contained herein would help in strengthening the knowledge base of the members.

*H.M. Hennayake Bandara*  
Chairman

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**SOCIAL  
ENTERPRISES  
— A MODEL  
FOR WOMEN  
EMPOWERMENT  
IN SRI LANKA**

PAGE  
**06**

**CERTIFIED  
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**OCTOBER 2018**

# CONTENT

**FTA WITH  
SINGAPORE  
MARKS A NEW  
MILESTONE FOR  
FURTHER FDI**

PAGE **12**

**VALUE OF GOOD  
CORPORATE  
GOVERNANCE  
PRACTICES**

PAGE **38**

**CPM NEWS & UPDATES**

PAGE  
**42**

**“STRATEGIC CORPORATE  
SUSTAINABILITY  
-A GAME CHANGER  
FOR SUSTAINABLE  
BUSINESS”**

PAGE  
**26**

*Dr. Ravi Fernando*

**SL IS MISSING  
THE GOLDEN  
OPPORTUNITY OF  
DEMOGRAPHIC  
BONUS**

PAGE **18**

**“THE ROLE OF WOMEN ENTREPRENEURSHIP IN  
THE SMALL & MEDIUM SECTOR DEVELOPMENTS:  
WITH SPECIAL REFERENCE TO NORTH”**

PAGE **22**



# **SOCIAL ENTERPRISES — A MODEL FOR WOMEN EMPOWERMENT IN SRI LANKA**

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## Introduction

**G**lobally women are at a greater risk of facing challenges such as poverty, abuse, malnourishment and lower access to education in comparison to the opposite gender (Markham 2016). Previous research has outlined that the percentage of women running companies and making decisions at board level is relatively low across all industries. This scenario has remained the case in Sri Lanka as well. Despite making up a significant part of the active labour force, a larger percentage of women in Sri Lanka still continue to be employed as contributing family workers rather than as wage earners or employers (Ranaraja, 2013). On average women also tend to earn less than men irrespective of having similar levels of experience, education and competencies.

The United Nations 5th Sustainable Development Goal is in fact to 'achieve gender equality and empower all women and girls' by 2030 (NCL, 2017). Hence, there is significant focus on the area of women empowerment from a global context. The purpose of this article is to identify and exemplify the role that social enterprises can play in empowering women in Sri Lanka.

Social Enterprises are not a new phenomenon. From a conceptual standpoint one can argue that even though social enterprises has been in existence for decades, its popularity and growth has been rapid in particular only recently (Boon, 2011). Therefore, defining what a social enterprise is often challenging and at times debatable due to the evolving nature of the concept. Ginige (2018) defines social enterprises as organizations that solve a social or environmental problem through a market-driven entrepreneurial approach.

Social enterprises are businesses that are changing the world for the better, where profit is not the sole motive but instead creating a positive social change is the priority. Social enterprises have been actively contributing to women empowerment across the globe. The author of this article is of the view that social enterprises can be a useful model to ensure greater empowerment of women in Sri Lanka especially in the rural sector.

## Benefits of a Social Enterprise Model for Women Empowerment

There are a number of benefits of women empowerment through a social enterprise model. These can be broadly categorized as follows

Social Enterprises create new jobs opportunities and generates revenue which in return empowers women engaged in such enterprises. By having a decent source of income, poverty levels can be reduced and there will be financial independence and economic empowerment. Another key benefit of a social enterprise model for women empowerment is that it provides a great platform for women to acquire new skills and competencies. For example a social enterprise which is engaged in creating gift items and handicrafts using re-cycled materials not only provides a solution to environmental issues but it also helps improve the creative skills of people engaged in the process. These new skills will help increase their employability and arguably open doors to new entrepreneurial opportunities.

Women who are engaged in a social enterprise feel more valued and important than someone who is unemployed or without a stable source of income. This increases their self-confidence and self-worth. When these women entrepreneurs experience success they are often motivated to venture into new enterprises, act as mentors, provide support and help other aspiring women entrepreneurs.

Micro entrepreneurs usually do not focus on larger profits and operate simplified organizational structures. As a result when a social enterprise either sources or collaborates on the production process with a micro entrepreneur it often results in lower cost of production. Women entrepreneurs are uniquely placed to optimize these opportunities by creating an ecosystem and a degree of co-dependence with other entrepreneurs especially in areas like supply chain, sales, production and retail presence.

Social enterprises enable and foster greater community engagement due to its core mission and operational dynamics. They are able to rally around the community to help solve social and environmental problems whilst providing income generation opportunities in the process. The community is often loyal towards a social enterprise and is more motivated to support a common cause as opposed to pure self-interest.

Social enterprises also provide a greater sustainability in the business model in comparison to government programs, grants, donor funds or NGO initiatives. This is because social enterprises are not impacted by political considerations, funding cycles or policy changes. Therefore, social enterprises provide a more sustainable platform for women empowerment initiatives.



## Case Studies – Women Empowerment through Social Enterprises

There are many examples of successful social enterprises owned and operated by women entrepreneurs in Sri Lanka. For the purposes of this article the author has selected two social enterprises originating from the rural parts of the country as case studies based on the direct experience working with them.



Senehasa is a social enterprise run by a differently abled woman in Nawagattegama which is a rural village in Puttalam District. Her social enterprise produces apparel targeted towards the maternal, new born and child segment of the market. This social enterprise empowers rural women by providing jobs for widows and people suffering from domestic abuse. Flexi working is encouraged in this social enterprise to help better manage family commitments. There is great community engagement because the supply chain, marketing and logistics activities are all done through the women of the village. A significant part of the profits of Senehasa is also routed back to develop female education programs and secondary school infrastructure in the village. The owner of this enterprise even though differently abled for the last three decades is truly passionate about improving the livelihood of women in the village by providing them new skills like sewing and apparel designing. These skills make women more employable and it helps generate a regular source of income resulting in economic empowerment.

Ceylon Herbals is a social enterprise originating from Kegalle District and run by a woman entrepreneur. This social enterprise develops products through the dehydration of herbs found in the village. These dehydrated products are then used to produce tea and other beverages which are targeted towards the healthy food and beverage segment. Ceylon Herbals, sources its ingredients for their products mostly from women micro entrepreneurs in the district. This helps them to reduce their cost of production whilst providing other women entrepreneurs a regular monthly income. The use of environmentally friendly packaging in their products not only helps differentiate them but also ensures sustainability.

## Challenges for Social Enterprises driven by Women

In today's globally competitive environment challenges are inevitable for any enterprise. Social enterprises are no different in this context. However, in particular women entrepreneurs who run social enterprises in Sri Lanka have to face some key challenges as exemplified below.

Access to capital and finance is a key challenge for most social enterprises in Sri Lanka. This is because equity based impact investment is a relatively new concept and social enterprise funds are non-existent at present. Also unlike the tech based start-up ecosystem there are not much of seed funding, angel investors or venture capitalists focused on social enterprises in the country (Kulamannage, 2017). Women social entrepreneurs find it difficult to raise finance because most institutions have perceptions of credibility, trust and 'going concern' which may not be the case when they make similar evaluations for ventures run by male entrepreneurs. Whilst there is no conclusive research done, most women social entrepreneurs feel that they are at times discriminated when seeking finance for their projects. This seems to be more the case in rural areas of the country.

Traditional financial institutions in the country do not have special schemes for social entrepreneurs. They also view these enterprises as being too small, informal, high risk and unstructured to meet internal compliance and approval guidelines. Hence, Sri Lankan women social entrepreneurs have no other option than resort to micro finance companies or unregulated 'loan sharks' to obtain finance at exorbitant interest rates to run their enterprises. Most of these women social entrepreneurs lack the knowledge or required support system to pay these high interest debts. As a result they fall into more difficulty and are affected psychologically. What was intended to become a support platform has now turned out to be a social issue. In fact a recent central bank directive on local banks to write off certain micro finance loans and interest explains the current predicament of how micro financing is doing more harm than good in the country (Samarawickrama, 2018).

Women social entrepreneurs also tend to lack confidence in their skills and ability. Most of these women do not have a background of running an enterprise and also lack some fundamental business knowledge even though they are passionate and committed about solving social and environmental issues. The fear of failure is another challenge faced by women social entrepreneurs in Sri Lanka. Due to the limited access to finance, lack of support systems, guidance and mentoring these women social entrepreneurs feel extra pressure to succeed in their ventures which leads to stress and frustration. Failure therefore, is not an option for these women entrepreneurs even though failure is part of a usual entrepreneurial journey.

There are cultural aspects that pose challenges to women social entrepreneurs especially in the rural areas of Sri Lanka. The traditional and often myopic stereotypes like the male should be the sole bread winner, women must be less aggressive and avoid pushing conventional boundaries, the primary (and only) role of women should be to perform household duties; often tend to be demotivating factors for women social entrepreneurs because they constantly feel the need to conform to societal and cultural norms. When making decisions on running an enterprise these factors can result in a culture based 'ceiling' thereby inhibiting entrepreneurship.

**01**

Less Access to Finance

**02**

Less Confidence in Skills &amp; Ability

**03**

Lack of Effective Negotiation Skills

**04**

Greater Fear of Failure/Cultural Impediments

**05**

Fewer Women Role Models/Support Systems

**06**

Discrimination





Women social entrepreneurs in Sri Lanka unfortunately have fewer role models and support systems that their male counterparts. Mentoring, business advice or guidance is not readily available currently even though there has been an encouraging focus on this area as of late. Hence, at times these women social entrepreneurs feel vulnerable and emotionally 'lost'. Most women social entrepreneurs in Sri Lanka perceive that they are not in a level playing field when it comes to third party negotiation. Overemphasis on trust and transparency are some of the reasons why women social entrepreneurs in Sri Lanka feel that they are unable to negotiate the best outcomes for their enterprises.

### **Overcoming the Challenges - A Multi Stakeholder Approach**

Social enterprises no doubt play an important role in women empowerment. In order to minimize or overcome the challenges faced by women social entrepreneurs a multi stakeholder approach is recommended. Basically this means that there should be strategies, enablers and initiatives by the government, women empowerment groups, existing social enterprises & advocates, investors and customers. The social enterprise model to women empowerment is very effective due to its agile nature, flexibility, sustainability and direct economic empowerment as opposed to NGO or donor funded programs which are influenced by political considerations and time bound objectives. Sri Lanka should focus on incorporating the social enterprise model into the overall economic policy framework of the country because the benefits it accrues are immense.

In order to ensure women empowerment via a social enterprise model in Sri Lanka, the government should provide clear policy, financial support and legislation specific to women entrepreneurs. Special tax and other incentives can be granted for social enterprises based on solving social or environmental issues and the creation of new jobs for women. Lower interest loans with a 'grace period' through government institutions can be given to solve the access the finance issues. The government should also focus on introducing social entrepreneurship to the secondary and tertiary education curriculum to sustain the interest on the subject matter and encourage greater participation to the sector.

Women empowerment groups can encourage social enterprises by providing training, support, investment and mentoring. These

can be industry specific training, soft skills and regular information and networking sessions at a local village, district and national level. The idea should be to create an ecosystem and platform for growth through replication of best practices and business models.

Existing Social enterprises and advocates can support the ecosystem by encouraging more social enterprises that focus on women empowerment through targeted campaigns, regular idea pitching sessions, kick starter programs, seed funding, accelerator programs, online and offline awareness programs and business match making sessions. They need to act as role models to encourage greater participation of women into entrepreneurship and social enterprises. Creating a collaborative framework among social enterprises will ensure a more robust growth in the sector.

There is a significant need for investors, specifically impact investors to fund social enterprises in Sri Lanka. Impact Investors are people who invest in enterprises, organizations and funds with not just the motive for financial returns but an impact to the society and environment (GIIN, 2018). Impact investors, who fund social enterprises via an equity based approach, will assist women entrepreneurs' access finance which is more patient, lower in cost compared to debt or micro financing and will also share risks associated with the business. The impact investors can have a mandate to support social enterprises that focus on women empowerment. For example an impact investor can make a strategic decision to have 30% of its investment portfolio for gender equality and women empowerment driven social enterprises irrespective of performance or how lucrative the other social enterprises might be. Impact investors also need to provide much needed knowledge capital, create market access opportunities and provide a support network for the social enterprises they invest. This in return will help women entrepreneurs to be more confident, improve negotiation capability and minimize discrimination which overall results in greater empowerment.

Consumers in Sri Lanka also have an important role to play in supporting social enterprises that focus on women empowerment. They can buy products and services from social enterprises even though the cost might be higher than alternative options. They can share and promote these social enterprises among their friends, relatives and social networks thereby





creating more awareness and demand for products. Additionally consumers can also help social enterprises with new ideas for product innovation or to identify market gaps thereby creating market opportunities for these women entrepreneurs which will result in empowerment.

## Conclusion

Social enterprises play an important role in women empowerment across the world. The Senehasa and Ceylon Herbs case studies exemplified how social enterprises create a great platform and model for women empowerment in the country. A social enterprise model aimed towards women empowerment arguably derives significant benefits as identified earlier. In comparison to government programs, grants, donor funds or NGO initiatives; social enterprises are also more sustainable because they are not impacted by political considerations or funding cycles. The article proposed a multi-stakeholder approach as a methodology when trying to overcome the evident challenges faced by women social entrepreneurs. It should be noted that social enterprises are not the only model to drive women empowerment in Sri Lanka and neither should it be viewed as an alternative to other empowerment models. However, a long term vision, consistent national policy framework, operationalization focus and wider community engagement on social enterprises are aspects that will definitely be useful to foster entrepreneurship, create employment opportunities and solve social and environmental issues in Sri Lanka.

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# FTA WITH SINGAPORE MARKS **A NEW MILESTONE FOR FURTHER FDI**



## What does business say about the Sri Lanka-Singapore Free Trade Agreement?



*"Sri Lanka is a promising market and a fast-growing economy. It's also a beautiful country with great tourism potential."*

Chua Hak Bin,  
Maybank Economist  
*Straits Times, 22 Jan 2018*

*"This FTA is a sign of the strong ties between Singapore and Sri Lanka"*

Chandra Rethnam,  
Singapore-Indian  
Chamber of Commerce  
*Straits Times, 23 Jan 2018*

### Introduction

**T**his is the suitable time to discuss about the Sri Lanka – Singapore Free Trade Agreement (SLSFTA), which was signed on 23rd January 2018, after 18 months of negotiations and the criticisms, opinions, suggestions and restrictions of this agreement is discussing among professionals, officials, and especially in parliament also. This is a comprehensive and modern free trade agreement which consists Goods and Services, E-commerce, Telecommunication, Foreign Direct Investments, Intellectual Property and Public Procurement as this is a significant move forward towards establishing and strengthening economic and political bonding between the two countries. This is a first treaty which is covering Government/ Public Procurement, permitting Singapore companies and state owned enterprises to bid for projects. Further this can assist the government to cut down public expenditure on public procurement while increasing supply sources of goods and services and create greater competition for said. Further it provides basis for strengthening bilateral cooperation mechanisms on electronic accreditation procedures and paperless trading and improving mutual commitments on intellectual property.

Under this agreement, Sri Lanka would progressively dismantle the tariffs and taxes which are nearly 80% of Singapore's exports over the forthcoming 15 years. Further it aims to reduce trade barriers and increase trade, which is elaborates that "Sri Lanka is become a business destination which open for business including investments" and export oriented economic

Considering Sri Lanka as an "Economic Oriented Hub" at the center of Indian Ocean, while Singapore is for South East Asia, which is aligned with Vision 2025.

### Trade and Investment Relationship with Sri Lanka

While considering Singapore which is an important foreign investor in Sri Lanka for the past two decades, and consecutively maintaining

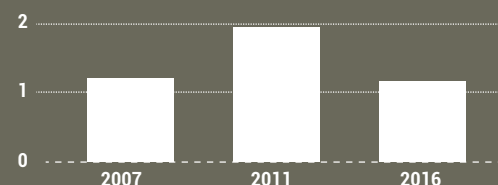
the rank among the top 10 investors in recent era. During 2017, Bi lateral trade with Singapore was valued at US\$ 2.7 billion (BOI media release), which was accounting for approximately 2.5% of GDP, while trade with Sri Lanka in Singapore, terms as 0.5% of Singapore GDP. Singapore is secured the eighth place (largest trading partner), with the total trade in goods amounting to USD 1.14 Million, from Sri Lanka's point of view, while Sri Lanka is positioned 37th place, trading with Singapore. Trade between Singapore and Sri Lanka has steadily grown, with Bi-lateral trade has exceeded USD 1 Million.

## Sri Lanka - Singapore FTA

### SG Investments in LKA

- Singapore has been an important foreign investment in Sri Lanka
- Singaporean companies have invested in property development, tourism, food & beverage processing, telecom

### Bilateral Trade (US\$ Bn)



SOURCE: Economy Next



Sri Lanka importing goods from Singapore, such as Petroleum, Gold, Machinery and Equipment, Chemicals, Plastics, Iron, Malt and Paper. Simultaneously, during the period, exports from Sri Lanka to Singapore amounted to USD 115 Million, mainly boats, Fuel Oil, Tea, Quartz, Gems and Jewelry, Wheat, Crabs, Electrical Capacitors and Rubber Tyres.

Singapore firms have been active in areas such as Property / Infrastructure Development (Overseas Realty Ceylon Ltd, Shing Kwan Group, Next Story Group), Tourism (Shangri-La Hotels), Food and Beverage Processing (Prima Ceylon, Asia Pacific Breweries), and telecommunications (Lanka Bell). Construction (WohHup, Ley Choon), Security (Certis Cisco) among others, the greater predictability provided by the FTA which presents possibilities for further integration through financial markets and capital flows.

Some of the areas in which investors from Singapore have expressed interest in Sri Lanka include warehousing facilities and logistics, service apartments, furniture manufacturing, training centers, fire safety engineering, solar solutions, and retail. Likewise, Sri Lanka has identified infrastructure, BPO/IT and IT enabled services and educational institutes, tourism, gems and jewellery, and hospital and healthcare as targeted sectors for attracting FDI from Singapore.

## Reasons aligned for signing FTA

Both bilateral and regional level, there are two compelling reasons supporting the agreement. It provides reciprocal benefits for both countries. It would enhance bilateral trade, improving economic and investment relationship and provide more secure and open access for goods, services and investments in Sri Lanka and Singapore, also, assist SL would advance the government's policy of trade liberalization and signaling its commitment to economic reforms, by signing a deal with one of the most liberal economies in the world. Singapore sees more potentials in Sri Lanka as a destination for Singaporean investments and a terminal to rest of South Asia, which is given the proximity to trade agreements with countries in South Asian region.

While at the regional level, this agreement serves broader trade engagement of Sri Lanka with one of the fastest growing regions in the world such as ASEAN. This would enable stronger relations with Singapore could assist Sri Lanka's position in South Asia and participating in Global Value Chains.

## Key Features of SLFSTA

The prevalent custom duties on 50% of tariff lines would be eliminated immediately by Sri Lanka. This reduction would be gradually increased to 80% over period of 12 years. Singapore grants tariff free access on 99% of goods. Sensitive items based on revenue and domestic considerations (i.e. petroleum products, alcohol and tobacco) 20% tariff lines off. Better access to service sector markets in Singapore and Sri Lanka, with liberalization across different modes of trade in services, in sectors such as professional and trade related services, environmental services, construction, and tourism. Movement of natural persons will be linked to commercial presence (e.g., intra-corporate transferees). Government procurement (GP) is included in the agreement,

ensuring Sri Lankan businesses can compete with Singapore businesses for government contracts. This is the first time Sri Lanka has included GP in its trade agreements. Reduced business costs and red tape around customs processing, competition law, and technical and quarantine standards. A clear process to settle

## Behind the Curtains of SLSFTA

It is obviously heard and seen there has been a debate going on about what type of policy which Sri Lanka should proceed in order to create prosperity to its people. Some Intellectuals have criticized that SL should follow the Singaporean model which is replicate the miracle, but others, including the political high authoritative are in disagreement with the clause. They are in arguing that Sri Lanka should follow its own indigenous growth model which is more unique to Sri Lanka Only.

Ministry of Development Strategies and International Trade (MODSIT) referred that some negative responses from intellectuals, professional organizations with regards to this matter, which is affect government revenue leads to barriers of professionals entering the country. Honestly say, FTA is a part of our new Trade Policy, which is focused to achieve the diversification of exports and export markets in order to create linkages to global production and global value chains (GVC) to integrate Sri Lanka to the global economy. Therefore it is the virtual link between trade and investment which is purely attract FDI into Sri Lanka.

It is noted that MODSIT has kept informing the stakeholders about the status of negotiation and commitments which were undertaken on regular basis and holding consultations with Trade Associations, Professional Bodies in order to disseminate information on benefits or fruits to be enjoyed by the country at all.

The above said consultations were really held about Construction, IT/ITES, Tourism, and Maritime services. Unfortunately certain professional association expressed their views and concern about the entering the professionals and workers into the country. It was cleared by explained by MODSIT on the following matters

- Only business visitors would be permitted to enter SL for a period of 30 days for the purposes of market analysis / scope or negotiation and signing of any business agreements
- Corporate Transferees (Limited to Managers, Executives, Specialists persons who are employed by a Singaporean company with investments in Sri Lanka) which is clearly defined in agreement, would be enter into SL, initially up to two years, extension not exceeding totally five years
- By use of internet (virtually) engage in the architectural and engineering services could be obtained, not in the form of investments or commercial presence of either Singapore citizens or PR holders, while the above said is "Virtual Cross Border Services"
- Since the above clause is already visible and currently in operation in Sri Lanka, establishing a business venture for providing these services or movement of persons under this agreement is completely not permitted.

- Regulations stipulate procedures to be followed when employing foreign nationals, employment categories, obligations among employer and employees and finally the role to be played by professional bodies while recognizing qualifications etc.,
- The above mentioned transferees would have to be employed for at least 12 months and they should be skilled and highest tiered personnel which was defined in schedule clearly
- Entering any dominant and effective nationality in another country who is hired by Singapore and sending them to Sri Lanka for employment is completely not permitted by agreement
- Therefore PR holders of arriving to Sri Lanka is strictly limited and their entry would be tied on any corresponding investments in SL while benefitting the country.
- With regards to Tariff Liberalization Programme (TLP) of such agreement, Sri Lanka that undertook to liberalize 80% of its tariff lines when Singapore is liberalized its tariff lines at all.
- Sri Lanka's tariff liberalization will take place over a period of 12 years to 15 years

■ **Though the TLP requires Sri Lanka to liberalize 50% of Tariff Lines immediately when Agreement comes into force.**

■ **50% of these tariff lines are already duty free and CESS free on a Most Favoured Nation basis. Consequently, it will not have any immediate impact either on revenue or domestic industries**

Tariff Lines	Elimination %
15%	1 <sup>st</sup> to 6 <sup>th</sup> Year (Equal Installments)
14.30%	7 <sup>th</sup> to 12 <sup>th</sup> Year (Equal Installments)
0.70%	13 <sup>th</sup> to 15 <sup>th</sup> Year

## Benefitting to Sri Lanka

In order to gain proper advantage of SLSFTA, strategic positioning of Sri Lanka in some main areas to be considered furthermore;

### Empowering Exports' Market

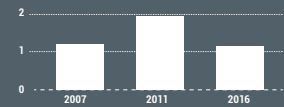
It is more important to focus on bilateral trade deficit – SL exports to Singapore in 2016 was USD 115 million, but imports from Singapore accounted over USD 1 billion, which is accounted for 5.3% of Sri Lankan imports overall. While considering SL's main exports to Singapore are textiles, Stones (precious and semi-precious), refined petroleum, electronic inputs, ships and boats, But unfortunately our traditional exports are in far behind such as agriculture, fisheries and trade in services. Therefore it should be very important to improve the quality, price and capability of delivery to export market of Singapore's high competitive and high income end platform. Rules of Origin (ROO) in SLSFTA stipulated in sufficient manner that effective trade remedies of anti-dumping policies and temporary safeguards should also

## Sri Lanka - Singapore FTA

### SG Investments in LKA

- Singapore has been an important foreign investment in Sri Lanka
- Singaporean companies have invested in property development, tourism, food & beverage processing, telecom

### Bilateral Trade (US\$ Bn)



### Singapore Market Snapshot



**5.62 Mn**  
Population



**\$295 Bn**  
GDP



**\$52,479**  
GDP Per capita



**1.8%**  
GDP growth rate



- SLSFTA was signed in Colombo on 23 January 2018 by Singapore's Minister for Trade & Industry, S. Iswaran and Sri Lanka's Minister for Development Strategies & International Trade, M. Samarawickrama.
- Sri Lanka and Singapore announced the launch of negotiations for a bilateral FTA on 18 July 2016.

enact in SL to avoid or limit obtaining cheap imports from ASEAN countries and China via Singapore.

## Increasing inward FDI from Singapore

This is pivotal point to focused on, there are impressive Singaporean businesses which are prevalent in Sri Lanka, the investments are likely to increase SLSFTA, where Singapore accounted for about 5.3% of total FDI inflows into SL during 2014-2017. In the introductory part, it is described about the categories of investments held by Singaporean companies in Sri Lanka, where the FTA rightly includes legal protections and other measures to incentivize Singaporean companies to invest, such as enhanced capital allowances and custom duty free imports which is highly related and relevant with the project purpose only.

## Strengthening BOI Operations

The BOI has also identified key sectors to target FDI inflows including Infrastructure, BPO/IT services, Tourism and Education, since SL's domestic investment climate remains major stumbling and struggling. According to "Ease of Doing Business Index", Sri Lanka was ranked as 111 out of 147 countries by World Bank in 2018, compared to Singapore's top rating of No 2, which is second only to New Zealand. Obviously say that, it takes 7 to 10 days to open a business in Sri Lanka, but only 2.5 days in Singapore. The rationale behind the scene, is cutting down on red tape method, streamlining redundant colonial era business regulations and demonstrating policy consistency would assist gain the trust of Singaporeans to invest in Sri Lanka. BOI should look to EDB Singapore which is prime agency for FDI in Singapore, as a model of attracting inward investment. It has a network of



overseas offices staffed by highly qualified professionals with sole purpose of marketing Singapore as an investment destination. This model of promotion is focused on innovative programs and expertise could be replicated in SL to target flagship investors in Singapore as a means to increase inward FDI. Further SL should seek technical assistance from Singapore to restructure BOI to better promote inwards FDI.

### **Expertise on Sustainable Development**

Sri Lanka could leverage the capabilities of world class Singaporean companies in the field of Consultancy, Maritime, Urban Planning and Design, Operating Industrial and Tourism Development Zones, Port related Development and Logistics Services. Moreover it is highly considered that partnerships and joint ventures between Sri Lankan and Singaporean companies to gain successful market entry are critical for inclusive development.

### **Gateway to East Asian Market**

In order to gain market access of East Asia, SL could be upgrade relationship with Singapore for entry into Regional Comprehensive Economic Partnership (RCEP). This includes ASEAN Economies, China and India.

While joining to RCEP, Sri Lanka would be gain access to ASEAN's dynamic market place and FDI potential. RCEP represents 31% of

global GDP, where 27% of global trade and 19% of global FDI flows. Sri Lanka's next big opportunity to join with ASEAN Regional Forum. This is the first imperative step for Sri Lanka's journey to join RCEP and enhance diplomatic and economic bonds with ASEAN.

### **Concluding Remarks**

The dependency situation of Sri Lanka on European and US export market increases the vulnerability to external shocks during the past, such as the global financial crisis in 2008 and the loss of GSP+ concessions in 2010. But still diversifying of both export market and basket of exports are obvious conditions to positioning Sri Lankan Economy on more sustainable way. Therefore SLSFTA could be act a s catalyst towards more proactive engagement with fast growing economies especially ASEAN in East Asia, through exports, investments and international relations. The success of SLSFTA, would be depends on the sustained political environment which would along with domestic institutional and economic policy reforms to facilitate better exports sector growth and investment. It is a welcoming step in improving outward orientation and ties with East Asia.

However, there are few criticisms against SLSFTA also, it also should be considered under rationale circumstances. The benefits would not automatically flow to Sri Lanka. Therefore, the investment climate should be favour to FDI needs and should address the gaps in export competitiveness. Even though BOI has launched Single Window Investment Facilitation Taskforce (SWIFT) four months ago, in order to fast track investments and cater them in under one roof, without sustained and reformed economic policy, all the efforts would be waste. Furthermore Sri Lanka should attempt to reap Singaporean expertise for sustainable development and investment promotion. SLSFTA should be considered, not in isolated, but it should be considered as broader strategical pathway to create an export centered, private sector led growth economy which would be integrated into regional and global economic development.



# SRI LANKA IS MISSING THE GOLDEN OPPORTUNITY OF DEMOGRAPHIC BONUS

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## Preamble

**S**ri Lanka, a country made up of optimum resources, whereas a previous article of the author (Kumarage, 2018) highlighted that the absence of good resource management strategies and country management policies collapses the development of Sri Lanka. Besides, Sri Lanka demonstrates the indications of missing a golden development opportunity called "Demographic Bonus". Accordingly, the purpose of this article is to point out, discuss and review the demographic bonus in Sri Lanka.

## Demographic Bonus defined

At the outset, it is necessary here to clarify what is meant by "Demographic Bonus". The broad use of the term "Demographic Bonus" is sometimes equated with "Demographic Dividend" (Bloom, Canning and Sevilla, 2003). As United Nations Population Fund (UNPFA, 2016) describes, the demographic dividend (DD) has come to be used to refer to an economic growth opportunity, which can outcome by reason of share of working age population of a country is larger than the non working population. This definition was articulated after a series of studies of economic miracle of East Asia from 1960s to the mid of 1990 decade (Groth and May, 2017). Further, the working age tends to be used to refer to the age between 15 to 64. In view aforesaid definition, the working population is the key contributing factor of the DD, whereas some other practitioner sources such as Investopedia (2018) elucidate life span expansion and family size reduction as key contributors towards the demographic dividend, which is indirectly validating the definition specified by UNPFA.

Having considered the outline of the topic of this article, the author utilises the definition specified by UNPFA for this discussion.

## Historical Realisations of Demographic Dividend

This subsection discusses historical examples of DD. Bloom and Williamson (1997) elucidates that the expansion of working aged population positively impacts towards the increase in Gross Domestic Productivity (GDP) per capita. Several countries in East Asia placed the foundation of establishing an academic term called DD. Because, China, Hong Kong, Malaysia, Singapore, South Korea as well as Thailand experienced DD in the 1960s, who have efficaciously followed a growth strategy built on utilising their DD (Heller, 2006). Especially, the countries made use of this golden opportunity and became developed.

In particular, Singapore was able to establish and ensure a dramatic economic expansion with a 8.2 percent economy development rate, by means of implementation of apposite development policies to realise the benefits of DD (World Bank, 2003; Fu and Hughes, 2009). According to World Bank (2003), DD has facilitated a 14 percent direct contribution towards the aforementioned 8.2 percent economy development rate,

which was in Singapore. Moreover, DD has delivered a direct contribution of 19.2 percent towards the massive economy development of Taiwan between the period of 1960 and 1990.

## Drivers of Democratic Dividend

DD is an unrealised economic development opportunity until it is fuelled by correct macroeconomic policies with good development strategies. As UNPFA (2016) states the realisation of DD is highly impossible if the population is unprepared. The transition of unprepared population into the status of prepared is potential with short term as well as medium term investment with good governance practises, which should enable younger citizens to plan their lives and facilitate quality education as well as a good mentoring mechanism to expand the knowledge, skills and capabilities of human capital of the country. What is more, the dividend will be embarrassed without execution of mechanisms to generate decent jobs, establish good infrastructure, enable a decent environment to do businesses and assurance of human rights. For example, Singapore predominantly has focussed on education and health policies and to relax the economic policy to get the optimum benefit of DD (Fu and Hughes, 2009). Consequently, DD does not deliver automatic benefits, which requires proper planning and implementation mechanism to generate benefits.

## Unrealized Demographic Dividend of Sri Lanka

Sri Lanka, started to receive an unrealized DD since 1992 with the increase in working age population of the country, which will last till the decade of 2030 (UNPFA, 2014), whereas some other academics (Colomboge, 2011; De Silva, 2015) argue that the best of DD has lasted till 2017 and the population structure in 2006 demonstrate the best DD, reporting a low dependency ratio. Conversely, the driving factors to get realize the optimum of outcome of DD is still not activated.

Especially, other than the academics, no one including policy makers of the country demonstrates any awareness or interest on the subject of present DD of Sri Lanka. In view of that, the author articulates that the academics and practitioners have a significant sense of duty to deliver the fragrance of this hidden and unrealized golden opportunity. Throughout that, UNPFA (2014) points out that policy makers of the country should focus immediate attention for the investments in health and education sectors.

In particular, improved attention and investments in sexual as well as reproductive health areas to decrease health indexes such as maternal mortality rate and improve the overall well-being of families is significant to get realize the benefits hidden with DD. Conversely, several academics and practitioners (UNPFA, 2014; De Silva, 2015) emphasise that implementation of a more organised education mechanism is significant to acquire the benefits associated with DD. Sri Lanka's population indicates



a 92 percent literacy rate (Ministry of Higher Education and Cultural Affairs, 2018), whereas high unemployment rates and lack of labour supply for knowledge based jobs indicate skill mismatches against the job market specifications by reason of the implementation of poor educational policies.

Moreover, Sri Lanka is in the ranking number 111 in the Ease of Doing Business (The World Bank Group, 2018), where countries such as India, Nepal, Tunisia, Saudi Arabia, Zambia and Kenya are better than Sri Lanka in terms of ease of doing businesses, which is highly unattractive to acquire good investors to the country. Hence, this is a critical bottleneck to get the benefits of DD and Sri Lanka demonstrates zero readiness to gain the favourable upshots of DD in terms of policy making. Accordingly, the policy makers of the country should pay immediate attention to improve education, health and business policies to attract foreign investments. Especially, the attention on growth sectors are significant, which will enable to get the optimum of DD by means of generation of employment opportunities.

## Unrealized Demographic Dividend is More Dangerous

As World Bank Group (2012) explains, in 2012, 67 percent of the population represented the working age. However, in 2021, the share of over 60 years age population is expected to be 17 percent, which will be further increased in 2041 with one out of four people is forecasted to be more than 60 years, indicating the signs of the final stage of DD and reversal of DD, which could facilitate labour shortages. What is more, investments will be more costly, which will down the returns. Particularly, the failure to get the favourable outcome of DD will make worse the situation in the reversal stage of DD. In the same way, the author explains that the reservation of the profits of DD will enable the country to face and address the potential complications of the reversal stage of DD, which proves the significance of getting the optimal outcome of DD.

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# **“THE ROLE OF WOMEN ENTREPRENEURSHIP IN THE SMALL & MEDIUM SECTOR DEVELOPMENTS: WITH SPECIAL REFERENCE TO NORTH”**

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## Small and medium enterprises (SMEs) in Sri Lanka

Small and Medium scale Enterprises (SMEs) have been identified as vital to the socio-economic growth of a country as they contribute to generation of employment, income generation, alleviation of poverty, development of the rural economy and regional growth. The SMEs sector accounts for 95 percent of all firms in both developed and developing countries. The Government of Sri Lanka recognizes SMEs as the backbone of the economy, as it accounts for more than 75% of the total number of enterprises, provides 45% of the employment and contributes to 52% of the Gross Domestic Production (GDP). SMEs promote broad based equitable development and provide more chance for women and youth participation in the economic growth of the country (National Policy Framework, 2017).

The definition of SMEs varies from country to country but it often uses the size of capital and number of employees as its parameters. In Sri Lanka, there is still no clear definition for this sector and this has proven to be a major impediment in SME promotion activities due to large difference in the parameters used by different entities to define the sector. Other countries with strong SME sectors such as Japan, Germany, many countries in the European Union and even developing countries like India and Thailand have clearly set out definitions of SMEs. More than 90 percent of industries in Sri Lanka are reported to be either small or medium sized enterprises and out of those 75 percent of SMEs are concentrated in the food and beverages, textile apparel and lifestyle industry (Kaushalya & Dilani, 2014).

## Women entrepreneurship in SMEs

The gender equality enhances economic efficiency, and improves other development outcomes, according to the Food and Agriculture Organization's (FAO) estimation, by giving women equal access to resources as men, they would achieve the same yields, further it is estimated that raising female employment levels to meet male levels could have direct impact on GDP, for example 05 percent in the United States and 09 percent in Japan (Kaushalya & Dilani, 2014).

Women entrepreneurs have been designated 'the new engines for growth' and the rising stars of the economies in developing countries to bring prosperity and welfare. Women seek entrepreneurship for many reasons; some women start a business because of an idea or innovation, employment experiences that have been unsatisfying, frustrating, with demanding and flexible work environments. Some of others are compelled to start their own business due to forced unemployment. Even these are the main obstacles for women to start up a novel business venture; access to financial resources, lack of adequate financial literacy, negative norms and attitudes, limited mobility, lack of access to networks and communications inadequate training and access to information, an unequal share of the family and household

responsibilities, work-family interfere, women's safety and gender based violence, lack of societal support and legal barriers.

## Sri Lankan women entrepreneurs in SMEs

In Sri Lanka majority of the population represents female. Increasing female labor force participation can be done in two ways; attracting more women in to the labor force as 'employees' and the second choice is by encouraging women to act as 'employers', i.e.; more women entrepreneurs. Of the total number of employers in Sri Lanka, only 10 percent are women, and it has been estimated that about 80 percent of the economy is driven by SMEs, out of which women led SMEs are only 10 percent. In Sri Lanka, a majority of women entrepreneurs are in micro-enterprises, a large number which operates in the informal economy and they tend to be grouped in particular sectors such as food processing and textile (Mohamed and Athambawa, 2015).

## Women Entrepreneurship in North of Sri Lanka

The North of Sri Lanka which was drastically affected area by thirty year old war, which engulfed the area, now the region is gradually emerging from its long years of isolation and fighting. As a result of 30 years conflict situation, women lost their male relatives in struggle, and forced to take a responsibility of their family in order to look after their children, aged parents and their male relatives.

Women in entrepreneurship have been growing up in developed economics to survive themselves and to help support their families. Therefore it can be seen that women entrepreneurship is a growing phenomena and has had a significant economic impact in all economics. However, women owned or headed enterprises have challenges and constraints that need to be addressed and specific needs that have to be identified to help them. More of households in Northern Sri Lanka are now headed exclusively by women. They still face numerous challenges in accessing education and health services, as well as economic developments.

More women owned entrepreneurship found in Northern Province is handicraft, handloom, garments and textiles, dry fish marketing, spices and concentrates products, retail business, manufacturing food and other products crop farming, and poultry farming.

Some of prominent women entrepreneurs who are actively engaging various types SMEs in the Northern Sri Lanka; Possible Green (PVT) Ltd is a Killinochi District based Tea Company that was established by a young and promising female entrepreneur



who grew up in Sri Lanka. Possible Green (PVT) Ltd distributes 200 different varieties of our green and herbal tea blends all over the world; Guava leaf tea, cinnamon tea, moringa tea, papaya leaf tea, gotu kola tea, horse gram tea and etc are some of their value added products.



Figure 1.0 Herbal range tea blends from Kilinochi District

Jaffna Palmyrah Handicraft (Guarantee) Ltd. Company, consists of a 37 women collective among whom the majority are widows, have worked tirelessly for the past few weeks to present a collection of trendy and stylish bags, baskets and other storage items, rugs and mats. All have been handmade according to their very own designs by using Palmyra leaves.



Punguditvu Food Manufactures (PFM) also women headed organization from the Jaffna-Punguditivu Island has brought with them a range of spices and flour, they have created themselves with the minimum use of machinery. These include the likes of roasted rice flour, roasted curry chili powder, turmeric powder, jamun seed drink powder, coriander drink powder, kurincha powder among others. The products are high in nutritional value and excellent for those with diabetes conditions.

Kobithan Garments (Pvt) Ltd, one and only of the women headed or women entrepreneurial garment factories function in the Vauniya District. Now it has grown to a fully-fledged factory and an office with 60 women employees who are widows, single parent women and young girls work there.



Figure 2.0 Palmyra handicraft and Foods products from Punguditivu-Jaffna District







Figure 3.0 **Kobithan Garments (Pvt) Ltd-Vauniya District**

Maha Fashion Corner & Academy is Jaffna based women entrepreneur entity, producing and making of saree work, fabric painting, glass painting, pot painting, screen painting, paper quilling, fashion jewelry making, silk thread jewelry, Karrocotta jewelry, and jadinagam making.



Figure 4.0  
**Fashion Jewels of  
Maha Fashion  
Corner-Jaffna  
District**

## To boost women entrepreneurship in the North

Entrepreneurship becomes crucial role in the development of economy. But, Women entrepreneurs envisage many problems while operating their businesses. Lack of entrepreneurial qualities such as self-confidence, risk taking ability, need for achievement, dual role to play at business and at home, lack of awareness of facilities provided by the business development services institutions, competition with large scale units, problems related to marketing, lack of access to finance and lack of access to technology are some of them. The role of women entrepreneurship is inevitable in any country. Now a day, women enter in almost all professions such as trade, industry, engineering, technology. They are willing to take up business and contribute to the nation's development. Thus, their role is being recognized and steps are being taken to empower and promote female

entrepreneurship.

It is an imperative need to develop women entrepreneurship in North of Sri Lanka through the structured mechanism such as Vocational training and training on entrepreneurial skill development and educate women entrepreneurs in record keeping and marketing knowledge. Also government should create more favorable policies that stimulate women from the bottom level as an entrepreneur for sustainable development of their family. Proper well design counseling and Education system should be given more training to women to get awareness regarding women empowerment. Since, institutional support and pull factors such as confidence, independence, need to achievement are the key factors for the women empowerment. So policy makers should consider these factors as important tools to develop women from the grass root level. Empowerment of women has been recognized as a central issue in determine the status of women. Creating an environment through positive economic and social policies and education Knowledge, political participation also some of the ways to upward the women status from bottom to top. The entrepreneur herself benefits tremendously through this system as it focuses on individual needs. Such a method would include technological support, input linkages, business counseling, market links, and individual mentoring that will build up a successful enterprise.

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# **“STRATEGIC CORPORATE SUSTAINABILITY A GAME CHANGER FOR SUSTAINABLE BUSINESS”**

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To share with us a more in-depth analysis of **'Strategic Corporate Sustainability-A Game Changer for Sustainable Business'**, the CPM Journal Committee brain-stormed few key questions and discussed with Dr. Ravi Fernando.

Dr. R. A. Fernando He is a Blue Ocean Strategist with a sustainability mind set. He is an Alumni of the University of Cambridge having Completed a Post-Graduate Certificate in Sustainable Business in 2008 and a Master of Studies in Sustainability Leadership in 2014.

He holds a Doctor of Business Administration Degree from the European University in Switzerland 2016. He also holds a MBA from the University of Colombo and is a FCIM (Fellow of the Chartered Institute of Marketing, UK). He holds a Diploma in International Management and completed the Advanced Management Program at the INSEAD Business school in France.

He was the United Nations Global Compact Focal point for Sri Lanka 2003-2010 and was the founder of the UN Global Compact Sri Lanka network in 2010 and is a Director of UNGC Sri Lanka Board. He is Chairman/ CEO of Global Strategic Corporate Sustainability Pvt. Ltd which currently operates in China, Vietnam & Sri Lanka. He serves on the Boards of Aitken Spence plantations Ltd, LOLC, Habitat for Humanity, Multi Finance Corporation, Ceylon Asset Management & UN Global Compact in Sri Lanka. His career with Multi-nationals spanned 1981-2003, Unilever, Sterling Health International, Smithkline Beecham International covering Africa, Middle East and Asia in CEO/Managing Director, Business Development and Marketing Management positions between 1981- 2007.

He was the first CEO SLINTEC (Sri Lanka Institute of Nanotechnology) 2008-2010. In Academia, He was a visiting faculty member of the INSEAD Advanced Management Program from 2005-2010 and Cedep (France) - Managing Business Excellence program in China, teaching the subject 'Strategic Corporate Sustainability'.

He is an Executive in Residence at the INSEAD Social Innovation centre since September 2010 to date and has been involved in 10 Case studies at the INSEAD business school between 2006-2018. In September 2007, he won a "Global Strategy Leadership award" at the World Strategy Summit receiving the award from Prof Renee Mauborgne of INSEAD business school. In November 2015, he published 'Strategic Corporate Sustainability – 7 Imperatives for Sustainable business' (Partridge: Penguin Random House), based on his work at Cambridge University.

*With his extensive knowledge and amongst other specializations, he enlightened us on this subject. Here are excerpts from the interview;*

**You have been an advocate for sustainability for some time. You make a difference between CSR and sustainability. Can you explain?**

In order to understand the difference it is important to trace the evolution of the concept of Sustainability. there are three pivotal periods to consider:

**Phase 1 - PHILANTHROPY** - In the early 1960's business began to engage in philanthropy to basically get tax breaks and win a little good will from the communities they operated in which was referred to as 'DOING GOOD FAST'. Most times they would be done without much fanfare on a local or regional basis.

**Phase 2 - CSR** (Corporate Social responsibility ) was the 2<sup>nd</sup> phase in the 1990's whereby Companies refined Philanthropy and brought in Publicity and PR to communicate the investments being made to ensure it benefited the organization in terms of goodwill and benefits from the communities and decision makers they interacted with from a stakeholder perspective.

This was referred as 'DOING GOOD TO LOOK GOOD' and many organizations engaged in CSR to gain mileage and unfortunately the public realized before long that it was 'Green washing' in most cases.

**Phase 3 - SUSTAINABILITY** was the third phase which is the prevalent format which came to being as a result of two landmark publications. In 1987 'Our Common Future' a report commissioned by the UN coined the term Sustainable Development and in 1997 John Elkington a British Economist published 'Cannibals with Forks' - The Triple Bottom line of the 21<sup>st</sup> Century which coined the term 'Triple bottom line' where today's concept stems from. Sustainability is achieved when a Business embeds Sustainability in corporate strategy and develops a Business model where its Economic profit is achieved in a manner which does not 'Harm the environment', instead becomes a steward of environmental resources within its scope of influence and contributes to its protection, conservation and regeneration whilst also impacting Society positively within its sphere of influence in terms of employees, communities and society and contributes to social progress'. This Phase is referred to as 'DOING GOOD AND DOING WELL'.

I have been an advocate of Sustainability and created the concept in 2003 and have been committed to showing business that the future business model which will be a game changer for both the business and planet as opposed to the current approach of 'Profit at any cost' is by adopting a concept titled 'STRATEGIC CORPORATE SUSTAINABILITY' which I created in 2012 as part of my work at Cambridge University.

Sadly most companies in the world, over 90% are yet not past phase 2 and think that CSR = Sustainability. The major difference is that CSR focuses only on one of the 3 Triple bottom lines social sustainability and SUSTAINABILITY focuses on embedding the TRIPLE BOTTOM LINE where Economic, Environment and Societal impact of the business are given equal priority and focus and embedded in Corporate strategy.

# WORLDWIDE HEAT 2017 RANKINGS

**CERTIFIED  
MANAGER**

THE INSTITUTE OF CERTIFIED  
PROFESSIONAL MANAGERS  
OF SRI LANKA

OCTOBER 2018



Source: NOAA/NCEI Climate at a Glance

CLIMATE CENTRAL

## How can a company embrace Strategic Corporate sustainability?

To embrace Strategic Corporate Sustainability my research conducted between 2011 to 2013 at Cambridge University confirmed the following which are outlined in my publication titled '**Strategic Corporate Sustainability-7 Imperatives for Sustainable business**' (Partridge 2015 November) now available at Amazon.com..



**STEP 1** - Is the Business 'must' have a Sustainability mind set' leader at the helm, ideally the CEO/Managing Director and a Chairman of the Board who understands the concept to give it the Sustainability leadership the organization needs to pursue SUSTAINABILITY.

**STEP 2** - The Business must mobilize STRATEGIC CORPORATE SUSTAINABILITY by;

First "EMBEDDING SUSTAINABILITY IN CORPORATE STRATEGY", whereby every element of business strategy is approached from a sustainability perspective and embedded into the Corporate Strategy.

Secondly the Business needs to 'DIFFERENTIATE ITSELF ON A PRIORITY SUSTAINABILITY INITIATIVE/PARADIGM' which Sets it apart on the global /local/regional stage which is relevant to its Strategic success and can be consolidated through 'Innovation and R&D' and kept relevant.

Today the shining lights globally who conform to both the above steps are UNILEVER, IKEA, TESLA, PATAGONIA to name a few, In Sri Lanka the companies who come close to doing so and are moving towards this concept are DILMAH, JETWING, MAS to name a few.



## What is meant by climate change?

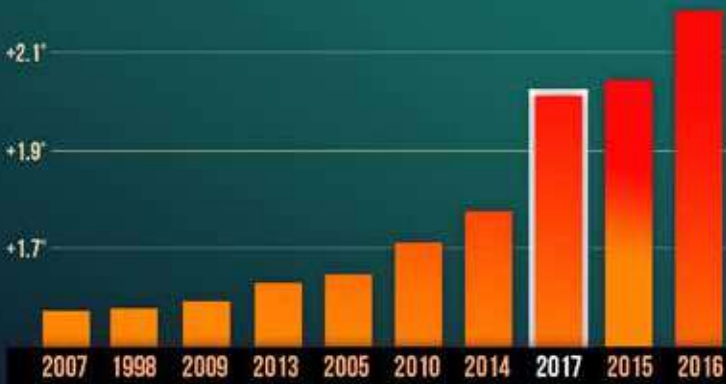
CLIMATE CHANGE is a hot topic and will remain one for the next 100 years as it directly impacts all Nations, Business and every Organization and human being directly. All Supply chains will be drastically affected due to extreme weather disruptions as demonstrated above.

Since 1880 when the Industrial revolution commenced the World has begun to burn fossil fuels, which in turn had released GREEN HOUSE GASES (GHG), such as Carbon Dioxide (CO<sub>2</sub>), Methane, Nitrous Oxide to the earth's atmosphere which in turn has contributed to Global warming as these gases are trapped in the earth's atmosphere. This has led to an unprecedented increase in EXTREME WEATHER incidents from around 50-80 per annum 20-30 years back to between 350-400 incidents per annum, where DROUGHTS, EXTREME TEMPERATURES AND FLOODS are now every day occurrences which impact all Nations, Business supply chains and every single individual on the planet. This phenomenon is referred to as CLIMATE CHANGE. No Nation, business or individual is spared from the impacts of climate change and ADAPTATION to Climate change is the ONLY way forward as we have squandered the opportunity to mitigate climate change by the exiting fossil driven global economy since 1987 when it was made abundantly clear in the Bruntland report (Our Common Future) that we had to!



How could Nations and business sustainability  
ADAPT to impacts of climate change?

## 10 HOTTEST YEARS GLOBALLY TEMPERATURE ANOMALY (°F)



Source: NASA GISS & NOAA NCEP global temperature anomalies (°F) averaged and adjusted to early industrial baseline (1851-1910). Data as of 1/16/18.

CLIMATE CENTRAL

The UNITED NATIONS has been talking about the impact of CLIMATE CHANGE on the ENVIRONMENT from 1987 in its landmark report 'Our Common Future'. In 1992 it launched the EARTH summit in Rio to bring attention to the impending crises and resolved to ensure Global temperature gains are not allowed to cross +2 Degrees Centigrade from the 1880 base level. However, we have already gained +1.12 Degrees centigrade which in turn has resulted in the Extreme weather incidents battering every nation. In just the last 2 months August and September 2018 we have seen Extreme temperatures were recorded in Japan, Canada, Pakistan, India, Middle East where average temperature heat waves recorded were 42-54 Degrees centigrade which left over 400 dead. Drought affects India, many African Nations, California and Flooding is now rampant with Manila, Hong Kong, China and North and South Carolina recording unprecedented rain fall of over 6-8 months in 48 hours in September 2018.

### Major flooding events in just the last two weeks:



**We need serious action on climate change NOW.**

We can no longer mitigate Climate change, this is because the major cause of it - Burning of Fossil fuels (Coal, Petroleum, Die-

“

WE CAN NO LONGER MITIGATE CLIMATE CHANGE, THIS IS BECAUSE THE MAJOR CAUSE OF IT - BURNING OF FOSSIL FUELS HAVE INCREASED AND WITH IT GREEN HOUSE GASES HAVE INCREASED IN THE EARTH'S ATMOSPHERE FROM UNDER 250PPM (PART PER MILLION) IN 1990'S TO 411 PPM IN 2018 WHICH HAS RESULTED IN THE FREQUENCY OF EXTREME WEATHER INCIDENTS RISING TO UNPRECEDENTED LEVELS.

sel, LNG) have increased and with-it Green House Gases have increased in the Earth's atmosphere from under 250ppm (part per million) in 1990's to 411 ppm in 2018 which has resulted in the frequency of Extreme weather incidents rising to unprecedented levels.

Both Nations and Business needs to ADAPT to CLIMATE CHANGE and what activities should we adopt to sustain the environment.

4.1) Exiting Fossil Fuels and embracing RENEWABLE energy (i.e Solar, Wind and Wave energy) and MOVE to ELECTRIC transpor-





**Why aren't companies and governments more into Strategic Corporate & National Sustainability and what policies should be in place for business to adopt Strategic Corporate/ National Sustainability and a commitment to Environmental sustainability?**

I referred to the fact that only 3-4% of all Listed and family companies pursue Strategic Corporate Sustainability and less than 20-30 Nations pursue Strategic National Sustainability by EM-BEDDING SUSTAINABILITY IN CORPORATE/NATIONAL STRATEGY). The reason for this is twofold:

5.1) There is a lack of SUSTAINABLE MIND SET LEADERS at both the National level and Business level to give leadership

5.2) SUSTAINABILITY is a STRATEGIC CONCEPT, but most Leaders are steeped in SHORT-TERMISM. National leaders think about the Next election and Business leaders the next quarter.

5.3) For Sustainability to be mobilized and impactful we need NATIONAL SUSTAINABILITY POLICIES > that lead to SUSTAINABLE BUSINESS STRATEGIES > That lead to SUSTAINABLE CONSUMPTION due to all Products and services being sustainable in terms of sourcing, manufacture and use!

5.4) ALL NEW PROJECTS must factor Climate change Impacts and likely impact in both National and Business infrastructure projects.

None of the above is in place for the above to happen with the exception of a handful of nations such as Costa Rica, Bhutan and Netherlands etc.

The policies need to encourage, incentivize and reward the four areas identified:

- Reward Exiting Fossil Fuels and embracing 100% RENEWABLE energy and MOVE to ELECTRIC transportation
- Reward Business conserving, protecting and REFORESTING the planet within its sphere of influence
- Reward Business which manage and Protect ALL WATER RESOURCES and Rain Water Harvest.
- Reward companies which launch products and services encouraging SUSTAINABLE CONSUMPTION following Life Cycle analysis and Circularity of the 17 UN Sustainable Development goals the priority goals to focus on are UNSDG 6 (Water), 7 (Renewable energy) 15 (Reforestation) and 12 (Sustainable consumption).

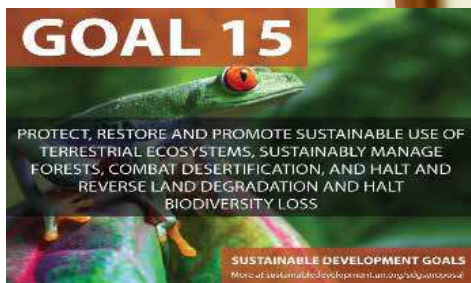
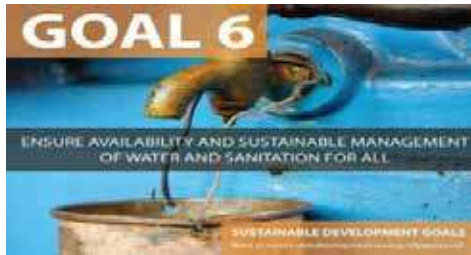
tation to be no longer a part of the problem

4.2) REFOREST the planet with urgency as we have destroyed over 70% of the Forest cover and with it 52% of species. In Sri Lanka we have deforested 84% of virgin forest cover.

4.3) Protect ALL WATER RESOURCES as water scarcity is forecast to impact almost all Southern Hemisphere nations by 2025

4.4) BUILD SUSTAINABLE CONSUMPTION into ALL the product and service offerings.





## What is the role technology plays in the process of adapting to CLIMATE CHANGE in this process & does Sri Lanka have the technology to do so?

Embracing NEW AND SUSTAINABLE TECHNOLOGIES AND STRATEGIES are essential as we ADAPT to Climate change.

Today we have many sustainability enabling technologies and industry strategies that MUST be embraced by all Nations and Business as a strategy to better adapt to Climate change:

6.1) Nanotechnology-where Less material is used as we go to the Nano scale and more sustainable materials are created to deliver Renewable energy

6.2) Precision Agriculture-where we use 90% less water versus Mass agriculture

6.3) Artificial Intelligence for both National and Business decision making more precise

6.4) 3D Printing which significantly reduces and eliminates waste

6.5) Robotics-mobilizing advanced robots for all manufacture

6.6) Bio Technology and Nano Bio-To enable more precise treatment of health issues

## How can a professional accounting body help?

Every Professional body must consider it a mandate to ensure that all its membership are 'sustainable mind set' leaders by ensuring they build it into their curriculum's for ALL Professional qualifications. We already have a major deficit and this is key to developing a new cadre of sustainable mind set leaders in every sphere of commerce and govt.





“

EVERY PROFESSIONAL BODY MUST CONSIDER IT A MANDATE TO ENSURE THAT ALL ITS MEMBERSHIP ARE 'SUSTAINABLE MIND SET' LEADERS BY ENSURING THEY BUILD IT INTO THEIR CURRICULUM'S FOR ALL PROFESSIONAL QUALIFICATIONS. WE ALREADY HAVE A MAJOR DEFICIT AND THIS IS KEY TO DEVELOPING A NEW CADRE OF SUSTAINABLE MIND SET LEADERS IN EVERY SPHERE OF COMMERCE AND GOVT.







## **CAN SRI LANKA APPLY "STRATEGIC CORPORATE SUSTAINABILITY" IN TERMS OF ECONOMIC, ENVIRONMENTAL AND SOCIAL DEVELOPMENT STRATEGY?**

Yes, Sri Lanka can provided we have the following in place.

**STEP 1** - Is that Sri Lanka needs to educate its National and Business leaders on the subject of "Sustainability, Climate change and the implications of the commitments Sri Lanka has made at the 2015 December Paris agreement" and the 'Reality' the nation is facing today. A review of a few key National policies versus action confirm this as the most pressing need of the nation.

If I were to share a few examples of where Sri Lanka seems to be 'moving' blindly regards the above and compromising the very commitments made:

**1) ENERGY POLICY** - The Government of Sri Lanka made a commitment to achieve 60% of its energy requirements from RENEWABLE ENERGY SOURCES by 2020 and 80% by 2030 at the 2015 Paris agreement to help achieve the global target of keeping GHG (Green House Gases) to a minimum to keep global temperature gain below a gain of +2 degrees centigrade.

The 'REALITY' - The Government of Sri Lanka is considering the CEB (Ceylon Electricity Board) Long Term Power Generation Plan (LTPGP), even rejecting the advice of the PUCSL (Public Utilities Commission) where from a 40% Renewable energy CEB are planning to move to 80% FOSSIL FUEL (COAL/ LNG) driven power generation by 2037, which in reality is moving away from RENEWABLE ENERGY? Which means we will be increasing the GHG gas emissions versus reducing them. This is going in the OPPOSITE direction where China, EU Nations, Costa Rica, Sweden, Germany, Uruguay, Paraguay, Scotland, Bhutan, France, South Korea, Spain are going to significantly increase RENEWABLE ENERGY TO 40-80%.

**2) FOSSIL FUEL DRIVEN VERSUS ELECTRIC VEHICLE POLICY & REALITY** - The Government of Sri Lanka made an announcement that it would BAN FOSSIL FUEL DRIVEN VEHICLES by 2045. Most of European Union Nations hope to do so by 2030. However the Nations has not put in place a Strategic Policy framework or strategic incentives to even remotely make it possible. Ideally, It should have invested in an Electric Vehicle charging network with EV importers (Sri Lanka needs only 30-40 Charging points to cover the nation with most new EV's having a 200 Km range) and had the incentives in place to encourage ALL to move to Electric Vehicles now as the European Union has done today. Instead the reality is we have high duties for Electric Vehicles and no attempt to set up the EV network?

**3) CLIMATE CHANGE IMPACTS & REALITY** - The Presidential web site SRI LANKA NEXT has clearly mapped out what areas of Sri Lanka will be affected by SEA LEVEL RISE when Temperatures cross the 2 Degree Centigrade and 4 Degree Centigrade barriers and most of Sri Lanka's COASTAL BELT will be affected. But the Reality is that we are moving forward with many 'development and infrastructure projects' including road networks and hotels in the very areas that will be under water and affected by sea level rise. Landslides and massive flooding continues to affect Sri Lanka as we are ignoring these facts.

**STEP 2** - To Develop a Strategic Corporate Sustainability led National strategy we need to mainstream and embed 'Sustainability and climate change reality' as the CENTRAL GUIDING PRINCIPLE in a National Sustainability Strategy. This will NOT happen until we first make STEP 1 happen. How can LEADERS who don't understand SUSTAINABILITY embed it in NATIONAL STRATEGY?

Strategic Corporate Sustainability requires the Nation to FIRST EMBED SUSTAINABILITY in NATIONAL STRATEGY. SECOND DIFFERENTIATE & POSITION THE NATION on A SUSTAINABILITY PARADIGM.

## **THE OPPORTUNITIES FOR SRI LANKA TO EMBED STRATEGIC CORPORATE SUSTAINABILITY.**

**1) ENERGY** - To embrace the new emerging SOLAR+BATTERY STORAGE technology developed by TESLA with its 1 Giga Watt Plants to strive to be 80% Driven by Renewable energy by 2030.

**2) ELECTRIFICATION OF ITS TRANSPORT NETWORK** - Set up a SUSTAINABLE TRANSPORTATION POLICY. Ban All imports of Diesel and Petroleum vehicles from 2025 and set up an ELECTRIC VEHICLE SOLAR CHARGING NETWORK in SRI LANKA in 2019 and make the vehicle Importation of EV's duty free. This should include all heavy vehicles including Buses and public transport.

**3) CLIMATE CHANGE IMPACTS** - CLIMATE CHANGE IMPACTS - Ensure EVERY NEW PUBLIC SECTOR AND PRIVATE SECTOR INVESTMENT takes into consideration the impending CLIMATE CHANGE ADAPTATION needs and have a 'NATIONAL STRATEGIC SUSTAINABILITY ADVISORY' body to review and approve every investment.

- **Develop a National WATER MANAGEMENT POLICY** which includes 'Rain water harvesting, precision agriculture (uses 10% of the water of Mass agriculture) and de-silt all the water bodies and tanks and REFOREST Sri Lanka to enable the 'rain water cycle'.

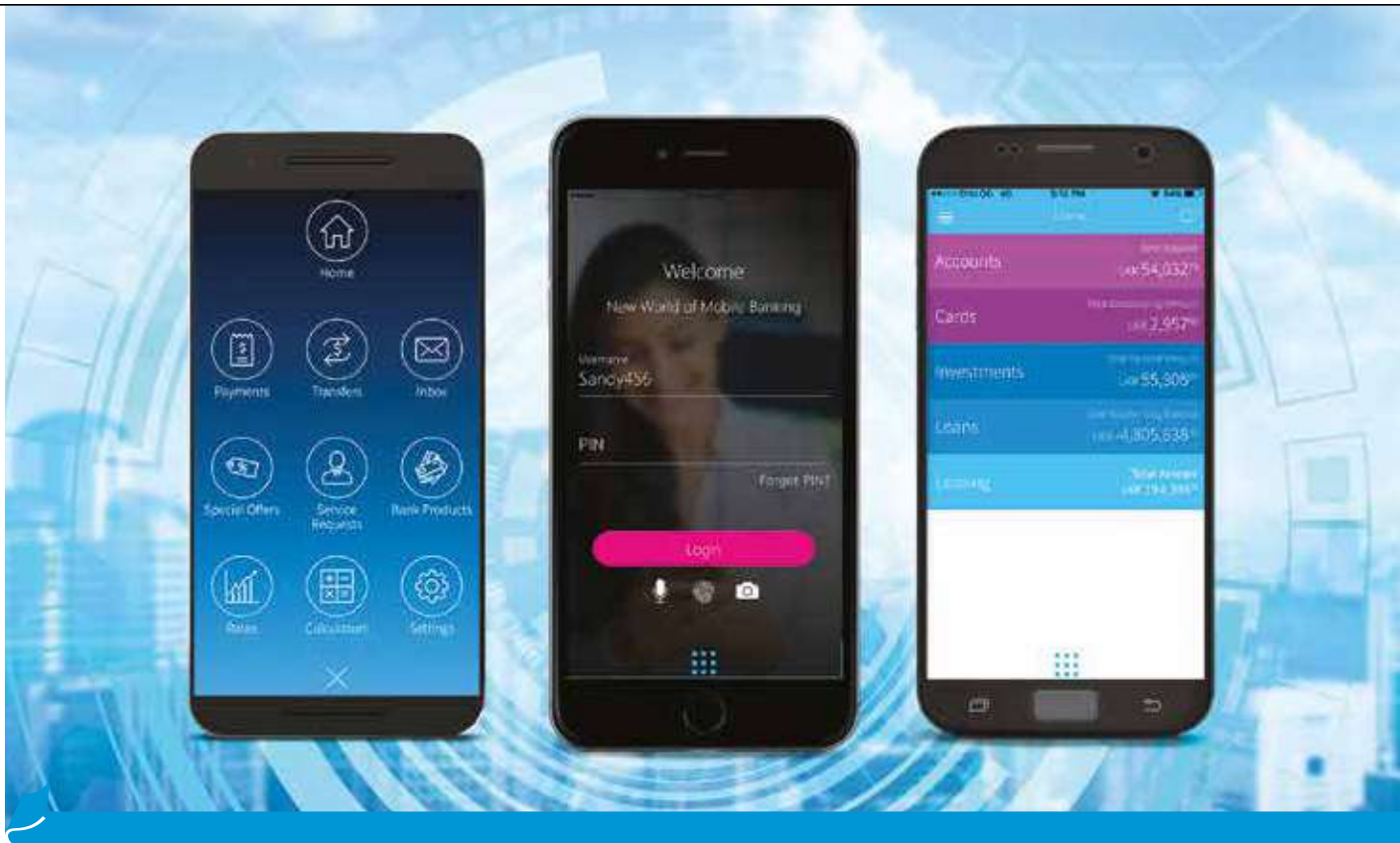
**4) LEVERAGE GLOBAL OPPORTUNITY TO 'MAXIMIZE THE CHINA ONE BELT, ONE ROAD STRATEGY TO BUILD SUSTAINABLE VALUE ADDED PRODUCTS' by LEVERAGING the Nations NATURAL RESOURCES' like TITANIUM, GRAPHITE, CINNAMON etc** to attract Value adding plants to make Sri Lanka's Hambantota FTZ to be a hub for exporting high tech products to EU, Africa and Latin America. I.e. Graphene driven Solar panels, Graphene water desalination plants & High-tech Batteries.

**5) EMBRACE SUSTAINABLE TOURISM** - The fastest growing and most lucrative segment in global tourism is the 'SUSTAINABLE TOURISM' set to be 250 million by 2030. Sri Lanka should have a NATIONAL SUSTAINABLE TOURISM POLICY AND STRATEGY to attract this growing segment to SL. The benchmark nation for SL to follow is Costa Rica. Today we attract less than 1% of this market.

Every one of the above are examples of both 'EMBEDDING SUSTAINABILITY and DIFFERENTIATING THE NATION' on a STRATEGIC CORPORATE SUSTAINABILITY paradigm.

This is possible ONLY if we have cadre of futuristic sustainability mind set leaders in positions of influence and leadership.





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# VALUE OF GOOD CORPORATE GOVERNANCE PRACTICES

**DR. KUMUDINI HEENETIGALA**

DBA, MBus, AIMM, MNIA, FCPM  
Fellow Member of CPM Sri Lanka  
Adjunct Fellow  
Victoria University, Australia





## Introduction

Corporate governance has been in existence even prior to the 1980s. However, it became widely known due to the Corporate failures of prominent corporations since the 1980s and 1990s, economic crisis in South East Asia in 1997-1998, Dot-com disasters and Enron failures in 2001/2002 and more recently the Global financial crisis in 2008. These crises were considered to be partly attributed to weak corporate governance. Consequence of this was executive and non-executive directors of the failed companies were jailed for many years.

These companies failed for different reasons, but the common link was that they all had poor corporate governance. Therefore, today, corporate governance is of paramount importance for decisions made by the investors, because it is simply about proper governance. Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk and safeguard against mismanagement. It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholder concerns. Furthermore, corporate governance also contributes to development. Increased access to capital encourages new investments, boosts economic growth, and provides employment opportunities.

## What is Corporate Governance?

Scholars and organisations introduced various definitions to describe corporate governance. These definitions have evolved as a result of changing economic environment. One of the early definitions was put forward by Sir Adrian Cadbury, father of corporate governance. In 1992, he defined corporate governance as *"the system by which companies are directed and controlled"* Cadbury (1992). This definition is concerned with the duties and responsibilities of a company's board of directors to successfully lead the company, and their relationship with its shareholders and other stakeholder groups.

Later definitions revolved around this definition. In 1999, Organisation for Economic Cooperation and Development (OECD) defined *"Corporate Governance is a system by which business corporations are directed and controlled. The corporate governance structures specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set and the means of attaining those objectives and monitoring performance"* (OECD, 1999). In a nutshell this definition focused on the system by which a company can be about be directed and controlled, specify rights, responsibilities and rules, set and achieve objectives and monitor performance.

More lately, Professor Mervyn King, an advocate of good

corporate governance from South Africa defined corporate governance for the purpose of King IV report as *"the ethical and effective leadership by the governing body towards the achievement of the following governance outcomes: ethical culture, good performance, effective control, legitimacy. Ethical and effective leadership should complement and reinforce each other"* (Institute of Directors South Africa, 2016).

In Australia ASX Corporate Governance Council (2014) describes corporate governance as *"the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanisms by which companies, and those in control, are held to account"*.

In order to address better corporate governance, principles based on Cadbury recommendations were established by OECD in 1999. These principles were revised in 2004. They focused on *governance problems that result from the separation of ownership and control*. The principles provide guidance in developing good (OECD, 1999) corporate governance. These principles cover the following five areas:

- protect the rights of shareholders;
- equitable treatment of all shareholders;
- recognize the role of shareholders;
- timely and accurate disclosure and transparency;
- responsibilities of the board towards the company, shareholders and stakeholders (OECD, 1999)

## Origins of Corporate Governance

In historical context corporate governance in developed market economies was built gradually over several centuries as a consequence of the economic development of industrial capitalism (Chowdary, 2003). Businesses needed funding in order to grow. As a result, they started issuing shares of the companies to the public to raise funds. This led to the formation of the company structures. The Dutch East India Company in the seventeenth century was the first company with a diffuse share capital of more than 1,000 investors. However, in the 1720s, the "south sea bubble" led to the collapse of the Company of Merchants of Great Britain. They were Trading to South Seas and the collapse led to a large number of investors losing their money. As a result formation of joint stock companies were forbidden by legislation without the legal authority of an Act of Parliament. However, in 1800 large sum of money was required to develop the railways in UK. This led to the introduction of Joint Stock Companies Act and Liability Act to regulate the formation of companies, as well as to raise funds from the public and to safeguard the investors by limiting their liability. Limited liability meant that the investors could only lose the money they had invested in the company but they would not be responsible for debts incurred by the company. It established the company as a separate legal entity. As a result, corporate governance has its roots in Company Law.

These new corporate structures resulted in different ownership structures. For example diffused ownership and concentrated ownership. The structures with diffused share capital (large number of shareholders) resulted in separation of ownership and Control (management). Diffused ownership in the modern corporations resulted in principal-agent problems. Work of Berle and Mean ((1932) focused on the separation of ownership and control which resulted in principal-agent problems. They viewed corporate governance as a mechanism where a board of directors is an essential monitoring device to minimize the problems brought about by the principal-agent relationship. In this context, agents are the managers, principals are the owners and the board of directors act as the monitoring mechanism (Mallin, 2004). Problems arise as a result of managers' incentives to pursue their own interests at the expense of shareholders (conflicting interest). Managers may have motivation beyond shareholder value such as market share, personal compensation or attachment to particular products and projects.

## **Board of Directors**

As there are large number of shareholders in the modern corporation, appointment of a board of directors is the mechanism employed to ensure management do not deviate from the original objective of the firm and ensure that managers act in the interest of the shareholders. Therefore, board of directors are appointed by the shareholders to carry out the oversight function. As a result, board is accountable to shareholders and is responsible to formulate the strategic decisions. Their functions and responsibilities can be summarised as to direct, govern, guide, monitor oversee, supervise and comply (Du Plessis, 2011). Major issues the board address are shareholder rights, executive compensation, organisational ethics program, board composition and structure, auditing, control and risk management, CEO selection and executive compensation plan. Initiatives such as the appointment of non-executive directors to a board, separation of CEO and Chairman and board committees were designed to address the above issues.

## **Board Structure**

Decision-making is an important role of the board, which is very much influenced by the board structure.

Cadbury Committee (1992) considered board structure as an important corporate governance mechanism, which would result in improved performance.

They addressed board structures comprising of separation of the roles of Chief Executive Officer (CEO) and Chairman, board composition and board committees. Board Leadership structure refers to the separation of the top two positions of the board (CEO and Chairman). Reason for separation is that when both the monitoring and the implementation roles are vested in a single person (Combined leadership) the monitoring role will be severely impaired. Both roles require leadership skills, however, the skills and abilities required by the two roles differ. The Chairman is involved in formulation of policy and also needs to have a strategic sense and ability to analyse the highly competitive business environment the firm operates, and to stand back from day-to-day operations. In contrast, the CEO is engaged in the implementation of the board strategy and day-to-day running of the company. Even though, one person can be excellent in doing both jobs, but separation is a better strategy, as most people are better at doing one than the other. Separation of the roles can result in

increased profitability as a result of spreading the workload, which can bring out the best in both (Cadbury, 2002). It could also be argued that, when one person is in charge of both tasks, favourable decisions are reached faster, provided that person is well aware. Alternatively, companies that have combined leadership may have an individual who has too much power and able to make decisions that do not maximize shareholders wealth (Laing & Weir, 1999).

Board Composition is another important mechanism of board structure. It refers to the proportion of executive and non-executive directors in the board, size, gender balance, experience and competencies.

The assumption is that an effective board comprised of a greater proportion of non-executive directors is significant to firm performance (Zahra & Pearce, 1989). Furthermore, boards with sufficient calibre and number carry significant weight in the board's decisions.

Oversight functions of the board are primarily carried out by the board committees (Rezaee, 2009). They focus on specific aspects of governance that are considered problematic. Such as financial reporting, remuneration of board and senior management, and appointments to the board (Spira & Bender, 2004). They comprise of audit, nomination and remuneration committees.

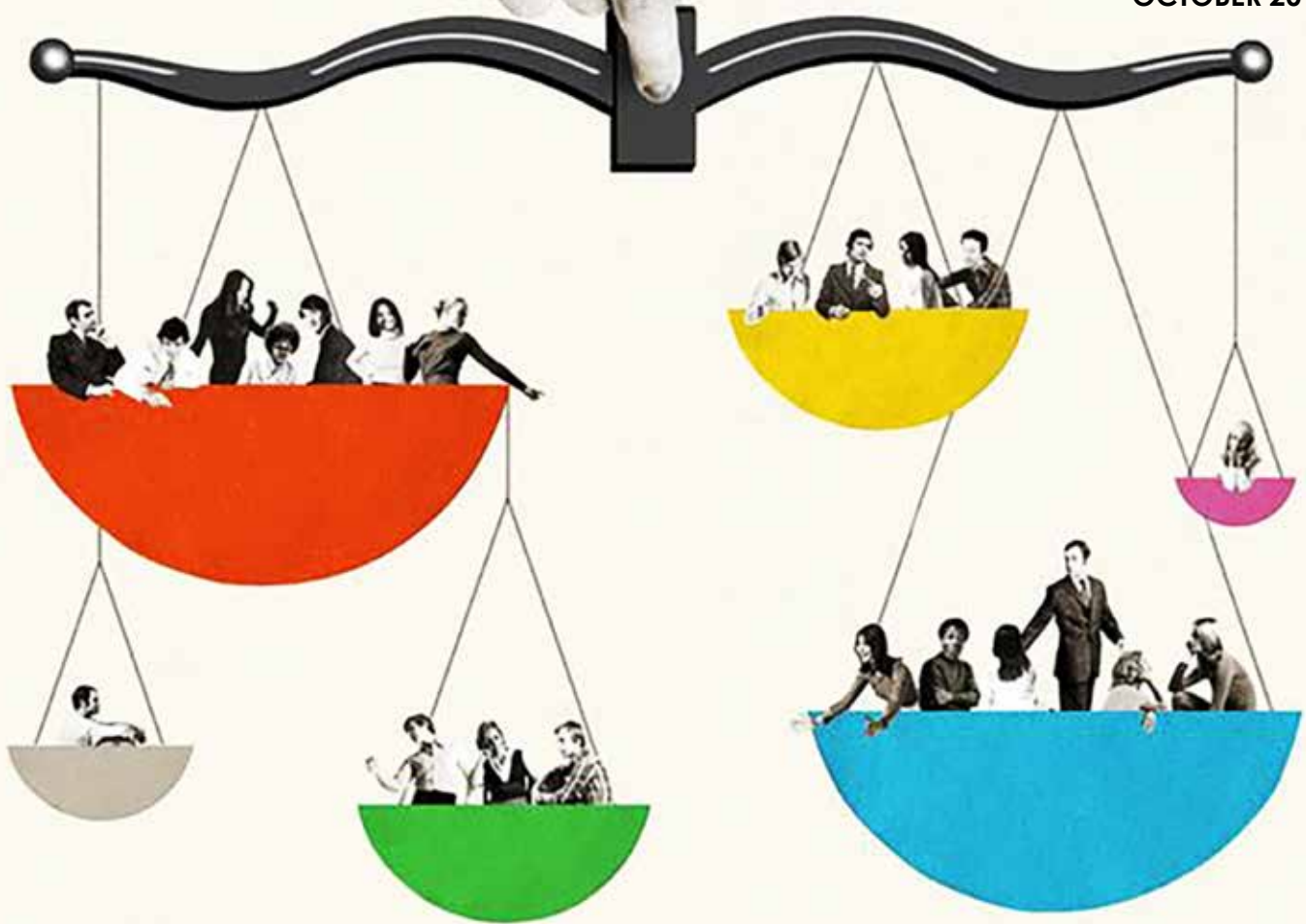
## **Directors' Duties and Responsibilities**

In other jurisdictions and in Sri Lanka director's duties regulated by the corporations act. Failure to adhere to meet the director responsibilities will result in punishment by the courts. In Sri Lanka, directors' duties are regulated by the Companies Act No 7 of 2007. Corporations Act of Sri Lanka specifies main duties for directors, which are duty to act in good faith and in the interests of company (s187), comply with Act and company's articles (s188), directors standard of care (s189), use of information and advice (s190), duty of directors on insolvency (s219) and duty of directors on serious loss of capital (s220). Legal duties of directors provide assurance to investors and shareholders to safeguard their interest, because investors are important to the survival of a company. The new Companies Act of Sri Lanka was introduced in 2007, after a significant number of reputed companies collapsed in Sri Lanka and around the world due to poor corporate governance.

## **Conclusion**

Poor corporate governance also brought the attention to whom the director owe their duty and their obligation. In this current business environment investors are not only concerned about the profits. They are also concerned about how the profits are made by giving much attention to companies behavior on a variety of environmental and social indicators. Today's corporations not only have a responsibility towards the investors of capital who are the shareholder, they also have a responsibility towards the other stakeholders who are affected by the activities of the company. James Hardie case has highlighted the attention to corporate social responsibility. Under the law, directors owe a fiduciary duty towards the company. High Court of Australia has defined fiduciary duty as "duty to act with fidelity and trust to another", that is act honestly, in good faith and to the best of their ability in the interest of the company (Baxt, 2009). Adoption of Corporate Governance Best Practices has significant impact on the performance of companies. Therefore, Code of Best Practice on Corporate Governance 2017 in Sri Lanka, specifically address





the requirement for Environmental, Social and Governance (ESG) Reporting and mention that ESG reporting is a board's responsibility. My recent research shows that companies are increasingly producing sustainability reporting and Integrated Reporting.

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## CPM NEW MEMBERS' CERTIFICATE AWARDING CEREMONY

**2018**







# CRMC- 2018 WAS A RICH ARTICULATION OF HOW TO DELIVER *WINNOVATIVE* BUSINESS STRATEGIES: THE QUEST FOR MANAGERIAL EXCELLENCE

**T**he Institute of Certified Professional Managers (CPM) concluded the CPM Regional Management Conference 2018 (CRMC 2018) in a grand style in collaboration with the Association of Management Development Institutions in South Asia (AMDISA) at Kingsbury Hotel, Colombo on 04th and 05th September 2018. Participants represented from the AMDISA member countries in the South Asian Region and the CRMC 2018 was represented by leading management development institutions from India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives, Bhutan and Afghanistan. The theme of the international forum was "delivering *Winnovative* Business Strategies: The Quest for Managerial Excellence".

The conference was inaugurated on the 04th September by the Chief Guest Hon. Karu Jayasuriya, Speaker of the Parliament of Sri Lanka. The Key Note Speaker was Dr Ravi Fernando, an Executive in Residence at the INSEAD Business School and Chairman / CEO of Strategic Corporate Sustainability Pvt. Ltd which operates in China, Vietnam and Sri Lanka. The President of AMDISA and Dean of National University of Maldives Mr. Abdul Rahman Mubaariq, Vice President of AMDISA and Chairman of Board of Governors, University of Management & Technology, Pakistan Dr. Hasan Sohaib Murad, Director of IIM Bangalore, India Prof. G. Raghuram addressed the inaugural session together with the President of CPM, Prof. Lakshman R. Watawala who is also the Immediate Past President of AMDISA and Mr Samantha Rathnayake, Chairman of the Technical Committee/faculty member/management

consultant at the Postgraduate Institute of Management of University of Sri Jayewardenepura. Also, at the inauguration day, CPM awarded Management Leadership Awards to a number of versatile personalities in respective management disciplines in recognition of their visionary leadership, commitment and dedication to the respective fields.

Prior to the inauguration there was a concurrent session which was headed by Mr Vijayapala Sinnathamby with presentation of papers from academics in universities across the region who had prepared articles which have been evaluated by a technical panel and to be subsequently published after the







### Session 1 -

"Making Institutional Strategy and Business Model Winning"



### Session 2 -

"Achieving Managerial Excellence through Innovative Practices"



### Session 3 -

"Strategy Development & Execution: Challenges and Success Stories"



### Session 4 -

"Delivering Results: Leading, Managing, Governance and Society"

## CERTIFIED MANAGER

THE INSTITUTE OF CERTIFIED PROFESSIONAL MANAGERS OF SRI LANKA  
OCTOBER 2018

initial deliberations. This was a truly value addition to the subject discussed by selecting best 20 foreign and local authors. In a broad sense, the conference aimed to bring together management experts, scholars, practicing managers, business leaders, policy administrators and other academicians from different countries of South Asia on a platform to discuss various connected issues and share their research findings.

The tasks of crafting and executing strategy are core management functions. The excellence in the delivering of an "winnovative" (winning+innovation) strategy is the most acceptable formula for turning an organization into a standout performance over a sustainable period. Crafting *winnovative* strategies is broadly a market-driven or/and resource-driven exercise revolving around the key application of managerial excellence. This conference aims at exploring and extracting the successful insights and foresights on the above theme based on local and regional best practices. It was highlighted that how to drive innovation into a winning formula; how to take an organization into a stand out performance; and what are the emerging insights and foresights in *winnovative* spheres?

CPM President Prof. Lakshman Watawala emphasized the need for the management layer of the country to drive economic growth along with the current development initiatives would be benefitted from good management, underscoring the need for institutions to develop the requisite strategies. The CPM and professional institutions have to play a role. We need to produce professionals who will be able to meet the requirement of globalization. We are in a different era now. Localization is good but we need to look at globalization. The Association of Management Development Institutions in South Asia has done a great work in this regard. The key note speaker, Dr. Ravi Fernando stressed the fact that this is where the world embeds sustainability and understands the reality. As we build business strategies, we have to choose whether we are part of the problem or part of the solution. Is our country or the business part of the solution or part of the problem? We have to be the part of the solution. In that light, as per the conference theme, he pointed out that on the need for drawing attention by the leaders of the organisation that the challenge of strategic cooperate sustainability is how the executing process within corporates could be directed.

Assuring the best value to the participants, four core themes were deliberated in the technical sessions. The sessions were as follows;

### Session 1 -

"Making Institutional Strategy and Business Model Winning"

### Session 2 -

"Achieving Managerial Excellence through Innovative Practices"

### Session 3 -

"Strategy Development & Execution: Challenges and Success Stories"

### Session 4 -

"Delivering Results: Leading, Managing, Governance and Society"

## Making Institutional Strategy and Business Model Winning

Whether an organization is a single or a diversified business enterprise, the strategy making task or building a business model is complicated activity. Getting the right people, strengthening the institution's resources, and strategy execution-led structuring are the core components in making the strategy/business model winning. The key themes



deliberated on how to derive a business strategy and link to the business model; how to get corporate to think strategy based business models; and what are the success stories of making strategy winning practices.

## **Achieving Managerial Excellence through Innovative Practices**

It was truly worthwhile to explore what innovative practices have been adopted by the institutions, and how they have successfully executed them. Achieving managerial excellence depends on a well-knit job of working with and through others. This has amply proved successful when innovative practices are in place, and gets the organization to execute it. It is a distinct challenge to drive the organization to act on the new priorities as per the intended strategies, as it is a lot more easy to craft a strategy than it is to execute and achieve desired outcomes. The most significant discussed point was what the relationship between strategy and innovative practices is; how to get organizations to set new priorities as per the intended strategies; and how to achieve managerial excellence.

## **Strategy Development & Execution: Challenges and Success Stories**

Many scholars shared their best practices in the context of the above sub theme. It was further explored what challenges have faced by the institutions and how they have successfully overcome such scenarios in the context of strategy development and execution. Different functions of a business strategy development may need to be integrated into a successful execution plan, and there are numerous interpretations on how to overcome potential challenges. They shared what are the strategy development/formation best practices; how to develop an integrated execution plan; and what are the success stories in different contexts.

## **Delivering Results: Leading, Managing, Governance and Society**

Moulding new thinking as well as strategizing, adopting and executing such new thinking into actions and results was a core phenomenon in strategic management. The question has been raised whether leadership provides the insights and tools to bridge the problematic gap between the rational development of strategy and real-life execution. Instilling discipline to get things done or to deliver results is predominantly based on a set of multiple factors. Herein, we explore leading, managing, governance and societal dimensions in our endeavour to deliver results. Amongst the other factors, those that are critical for a good strategy execution towards achieving results are, setting the leadership right; building managerial capability; installing an appropriate governance structure; and the nexus with society at large.

despite there was a gap. Leaders need to exhibit and foster creativity and innovation in the workplace to succeed in today's competitive, unstable and volatile climate. This dynamic panel discussion brought top of their real life experiences in respective domains. How to connect with leading, managing, governance and societal dimensions in our endeavour to deliver results was the most highlighted factor in the panel discussion.

It was observed that business strategies stem through innovation, which is vital, same as the managerial excellence and tactics. There was an intriguing appeal to look at the recent history of the businesses to see the impact of innovation. Innovation has helped companies achieve great success against those which do not have innovation. There was a time when the mobile phones industry was dominated by Nokia. Rest is history. Innovation is the biggest challenge for organisations to achieve success. How can we change an organisation into an innovative strategic one? Innovative strategies drive markets. Innovative minds boost performance of organisations and markets. Since innovation is change and change is most important in strategy, innovation has great value. No corporation can survive without innovation. Creating business values mean breakthroughs such as engineering products, cost reduction, ambitious improvements, new business models and new ventures.

While contemplating on *winnovative* thinking, a person has to root himself outside the company and then only a person would be able to think fresh, would be able to add value to the company. Once a person is outside the company and sees what is happening outside, then he/she thinks outside the real space. When we think outside the company and then through the broader sphere of the ecosystem, that means we are looking at the world from the ecosystem. We will be able to see what is happening around the company and all the innovation. In the mindset of leadership, ideas, aspirations and possibilities have no boundaries. When we want to recreate and redefine a firm, the strategy, which is in our mind, should not limit our self to our firm. We should be able to see what is out there.

The ecosystem is about interconnectedness. What it requires is exposure. In order to have exposure, a person's mindset has to have the exposure of that arena. The strategic outlook today is not the one that we used to have typically in military. This entire strategic outlook today is based upon our power and capacity that enhances our company's values. So, this is the key strategic output that requires the capacity of the firm, to be a reliable partner in this network. Collaborative approach requires openness without reservation. Cultural openness, which is based upon a high degree of trust, would lead to increasing the capacity of exercise. It is not the hierarchy that matters today; it is what the company can create itself to steer forward by developing partnership.

It was with our sincere thanks to all who attended the conference in Colombo and having enjoyable stay here in Sri Lanka. The CPM would like to extend sincere appreciation and willing to continue the friendly spirit and request to join hand with future conferences in the region. All in all, it is about using the concepts that have been put across at this conference to make the region more vibrant for all management professionals.



**SAMANTHA RATHNAYAKE**

Head of Technical Committee, CRMC 2018

Faculty Member of PIM, Uni of Sri J'Pura and  
Governing Council Member, CPM Sri Lanka

Veteran panellists representing key institutions both from the public and private sector in the region expressed their opinions in line with strategy and execution as often interchanged as the same

**CPM REGIONAL MANAGEMENT CONFERENCE 2018**

# RESEARCH PAPER PRESENTATION

The Research Paper presentation was held on 4th September 2018 from 13.00 – 18.00, prior to the CRMC 2018 inauguration session. The concurrent session was headed by Mr Vijayapala Sinnathamby with presentation of papers from academics in universities across the region who had prepared articles which have been evaluated by a technical panel and to be subsequently published after the initial deliberations. This was a truly value addition to the subject discussed by selecting best 20 foreign and local authors. In a broad sense, the conference aimed to bring together management experts, scholars, practicing managers, business leaders, policy administrators and academics from other countries of South Asia on a platform to discuss various connected issues and share their research findings.

**The Concurrent Session was well-planned with following process and time frame.**

■ Declare the Conference tracks	May
■ Formation of Scientific Panel	June
■ Call for Abstract	June
■ Submission of Abstract/Abstract received acknowledgment	July
■ Abstract Review process	August
■ Notification of Abstract accepted/Invitation for Conference registration	August
■ Research Paper Presentation (Book of Abstract printed)	September
■ Submission of full paper/menu script	October
■ Full paper/menu script review (blind fold peer review) process	November
■ Publication of Full paper/menu script Conference Proceedings	December

We have called the abstracts two months prior to the conference and received enough number of abstracts for the review process from the various countries on our CRMC 2018 thematic area/s. We have formed the resource panel for the review process from the academics and practitioners to lead the conference proceedings.

**The Scientific Evaluation Committee:****Dr. Nirmal De Silva**

Co-Founder/CEO,  
Paramount Realty &  
Founder TYNA Consulting

**Dr. Sumudu Perera**

Senior Lecturer, Department  
of Business Economics,  
Faculty of Management  
Studies & Commerce,  
University of Sri  
Jayewardenepura

**Dr. Dinesha  
Siriwardhane**

Head, Department of  
Business Economics, Faculty  
of Management Studies &  
Commerce  
University of Sri  
Jayewardenepura

**Dr. Damayanthi  
Bamunusinghe**

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Sri Lanka

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Priyadarsan**

Head, Department of  
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of Sri Lanka

**Dr. Ruwan Ranasinghe**

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Faculty of Management  
Uva Wellassa University,  
Badulla

**Dr. Nagendrakumar  
Nagalingam**

Head, Education & Training  
Institute of Chartered  
Accountants of Sri Lanka

**Mr. Sinnathamby  
Vijayapala**

Management Consultant/  
Senior Visiting Academic/  
Trainer





ased on the double blind fold review process, the following Abstracts were selected from the 50+ submissions from multi-disciplines. We have produced the 'Book of Abstract' with all the details.

Author/s Name	Designation, Organization & Address	Country	Paper Title
1Nazrul Islam, 2Mohitul Ameen Ahmed Mustafi, 3Amitava Bose Bapi, 4Abid Aziz	School of Business, Uttara University, Dhaka, Bangladesh	Bangladesh	Critical Factors for the Development of Women Entrepreneurship in Retail Business of Bangladesh
1Yadav Devi Prasad Behera, 2Dr. Saroj Kumar Sahoo, 3Madhusmita Pati	Dept. of Business Administration, Sambalpur University, Odisha	India	Risk Absorption: A strategic tool for investors' propensity to invest
1Ritika Gupta, 2Saroj Kumar Sahoo, 3Tushar Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Acceleration of sales employee performance grounds on boss-subordinate relationship
A L M A Shameem	Senior Lecturer, South Eastern University of Sri Lanka	Sri Lanka	The Factors Influencing on Sri Lankan Muslim Consumers Behaviors towards the Selection of Banks: A Case Study Approach
1Madhusmita Pati, 2Dr. Saroj Kumar Sahoo, 3Yadav Devi Prasad Behera	Dept. of Business Administration, Sambalpur University, Odisha	India	Managing Cognitive Dissonance: An effective way of addressing satisfaction dynamics in life insurance industry
1Tushar Sahoo, 2Dr. Saroj Kumar Sahoo, 3Ritika Gupta	Dept. of Business Administration, Sambalpur University, Odisha	India	Differential customer satisfaction: The central building-block of customer retention
1P.Pretheeba, 2N.Pratheesh	Eastern University	Sri Lanka	Green Technology in Sri Lankan Agriculture Sector an Overview
Malinka Jayasekera	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in Western Province, Sri Lanka
1Prassanna Pathmanathan, 2Nadeeja Dodamgoda	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability
MM Mohamed Muzamil	Amana Bank PLC	Sri Lanka	The Impact of Information Technology on Organizational Performance through Human Capital Development Factors (Based on service sector (Banking) organization in Sri Lanka)
1Dr. K. V. RAMESH 2PROF. R. K. MISHRA	INSTITUTE OF PUBLIC ENTERPRISE, HYDERABAD	India	A CRITICAL ANALYSIS OF NPA MANAGEMENT IN INDIAN BANKING INDUSTRY: A CASE STUDY OF SELECT BANKS
1Dr. Saroj Kumar Sahoo, 2Prof. Biswajeet Satapathy 3Mrs. Sandhyarani Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Shoppers' purchase intention: The suitable result of learning with the mediating role of attitude Shoppers' Learning leads to Purchase Intention with the Mediation of Purchase Attitude in the organized retailing context
1Nandakumar Mekoth, 2Narayana Reddy, 3Babu Thomas	Department of Management Studies, Goa University	India	What drives satisfaction of two wheeler customers? Survey based evidences from India
Ganesha Somayaji	Department of Management Studies, Goa University	India	VOLUNTARISM, SOCIAL MOBILISATION, AND WOMEN EMPOWERMENT: MICRO FINANCE AND RURAL SOCIAL TRANSFORMATION IN WESTERN INDIA

## Panel of Judges at the Research Paper Presentations;

Head of Concurrent Sessions: Mr. Sinnathamby Vijayapala, CRMC 2018			
Session	Time	Session Chair	Panelist
Session 1	13.00 – 15.00	Dr. Nirmal De Silva	Ms. Subathini Priyadharsan
Session 2	15.30 – 17.30	Dr. Damayanthi Bamunusinghe	Ms. Kumuthinidevi Shanthakumar
Session 3	13.00 – 15.00	Ms. Kumuthinidevi Shanthakumar	Dr. Damayanthi Bamunusinghe
Session 4	15.30 – 17.30	Dr. Sumudu Perera	Dr. Nirmal De Silva



Finally, the panel has selected the 'Highly commendable Presenter' from each session. They were selected based on a standard criterion; such as Scientific Content 40%, Clarity of Presentation 20%, Appropriate Audio Visual Aids 20%, Ability to Handle Questions 10%, Timing 10%, and Total Marks 100%. The following Presenters received the Highly Commendable Presenter Awards

The following Presenters received the Highly Commendable Presenter Awards;

Session	Name of Presenter/s	Organization	Country	Paper Title
Session 01	Prassanna Pathmanathan	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability
Session 02	Dr. Saroj Kumar Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Risk Absorption: A strategic tool for investors' propensity to invest
Session 03	MM Mohamed Muzamil	Amana Bank PLC	Sri Lanka	The Impact of Information Technology on Organizational Performance through Human Capital Development Factors (Based on service sector (Banking) organization in Sri Lanka)
Session 04	Dr. K. V. RAMESH	INSTITUTE OF PUBLIC ENTERPRISE, HYDERABAD	India	A CRITICAL ANALYSIS OF NPA MANAGEMENT IN INDIAN BANKING INDUSTRY: A CASE STUDY OF SELECT BANKS



Now we are in a process of receiving and reviewing the full papers/menu scripts and it will be published before end of the year with proper indexed.



**SINNATHAMBY VIJAYAPALA**  
Head of Concurrent Sessions, CRMC 2018  
Management Consultant/Senior Visiting Academic/  
Corporate Trainer





The theme of CPM Conference 2018 was "Winnovative Business Strategies: The Quest For Managerial Excellence" where Management Leadership has delivered "Winnovative" (Winning + Innovation) Strategies and achieved successful results have been honoured at this ceremony. CPM Sri Lanka congratulate to all recipients of the prestigious **"CPM Management Leadership Awards 2018"** and their achievements where execution coupled with "Winnovative Strategies" has brought results both in the Government and Private Sector driving Sri Lanka towards professional management.

## 'CPM MANAGEMENT LEADERSHIP AWARDS 2018'

The Institute of Certified Professional Managers Sri Lanka (CPM Sri Lanka) held its **"CPM Management Leadership Awards 2018"** at the inauguration of the CPM Regional Management Conference 2018 in the distinguished presence of the Management Gurus of the SAARC Post Graduate Business Schools which are members of the Association of Management Development Institutions of South Asia (AMDISA). The Governing Council of CPM Sri Lanka considered about most promising and innovative leaders who made significant contribution to management development and practices and their leadership role with success in the selected field of academic, government, business and society.

### AWARD RECIPIENTS;



**Prof. Sampath Amaratunge**  
*Vice Chancellor  
University of  
Sri Jayewardenepura*

"For his Visionary Management Leadership, Dedication and Commitment to University Education, Administration and as former Dean of the Faculty of Management Studies and Commerce"



**Mr. Hiran Cooray**  
*Chairman, Jetwing*

"For his Visionary Management Leadership, Dedicated Services and Commitment to the Tourism Industry in Sri Lanka and as the Past Chairman of Executive Board at Pacific Asia Travel Association (PATA)"



**Mr. M. Nihal Ranasinghe**  
*Controller General,  
Immigration and  
Emigration*

"For his Visionary Management Leadership, Dedication and Commitment to transform the Public Service in Sri Lanka using Information Technology"



**Mr. Kris A. Canekaratne**  
*Chairman and CEO,  
Virtusa Corporation  
(NASDAQGS: VRTU)*

"For his Visionary Management Leadership, Dedication and Entrepreneurial Spirit as the Co-Founder of Virtusa Corporation a Global leader in Digital Services and Outsourced Services in Information Technology company founded in 1996 in Sri Lanka now headquartered in Massachusetts, USA."



**Ms. Kasturi Chellaraja Wilson**  
*Managing  
Director of Hemas  
Pharmaceuticals  
and Hemas  
Logistics and  
Maritime Sector of  
Hemas Holdings  
PLC*

"For her Visionary Management Leadership and her Ongoing Commitment for Career Progression of Professional Women to reach the Top Managerial Posts"



**Mr. Dulith Herath**  
*Founder/Chairman &  
CEO, Kapruka.com*

"For his Visionary Management Leadership, Dedication and Entrepreneurial Spirit as the Founder and chairman and CEO of Sri Lanka's largest e-commerce organization, kapruka.com"







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**T**ourism industry veteran, Mr. Prema Cooray was felicitated with the 'Lifetime Award for National Contribution for Sri Lanka Tourism Development' status at the award ceremony organized by the Alumni Association of Tourism Economics and Hospitality Management, Department of Economics, Faculty of Arts, University of Colombo recently.

Mr. Prema Cooray, the immediate past Chairman of Aitken Spence PLC counts well over 30 years' experience in travel and tourism. He led the Hotel Sector of Aitken Spence for several years making a significant contribution in making Aitken Spence a leading player in the development of resorts both in Sri Lanka and Maldives.

He is acknowledged for the pivotal role played in the development of sustainable tourism and especially for his leadership in developing the renowned Kandalama Hotel which has won many global accolades for its contribution to environmental management, food and beverage excellence and service standards of a truly exceptional nature. These attributes signalled the entry of Sri Lanka's tourism to the world map of the hospitality industry. He also led the pioneering effort of large scale expansion to the Republic of Maldives in early '90s and this regional development contributed exceptionally to the overall profile and growth of Aitken Spence. He is the current Chairman of Rainforest Ecotrade Pvt. Ltd., and Citrus



Mr. Prema Cooray receiving the "Lifetime Award for National Contribution for Sri Lanka Tourism Development" from Prof. Rev. W. Wimalaratana thero, University of Colombo, .

Leisure PLC. He is a board member of Light House PLCs, Fort Hotel Group and Ramada Colombo.

Mr. Prema Cooray was awarded the

**CERTIFIED  
MANAGER**

**CPM MEMBERS'  
ACHIEVEMENTS**

## CPM GOVERNING COUNCIL MEMBER, MR. PREMA COORAY FELICITATED WITH 'LIFETIME AWARD FOR NATIONAL CONTRIBUTION FOR SRI LANKA TOURISM DEVELOPMENT'

"Legend of Tourism" by the Ministry of Tourism in 2011.

He is the Past President of the Tourist Hotels Association of Sri Lanka (1998-2000) also Sri Lanka Convention Bureau (2007-2009/2015-2017). He served as the Secretary-General/ CEO of the Ceylon Chamber of Commerce (2003-2008)

Mr. Cooray has a MBA from the University of Sri Jayewardenepura, is a Certified Management Accountant and he is also a Member of the Institute of Hospitality, UK.

**C**hief Executive Officer of SLT Human Capital Solutions, Mr. Roshan Kaluarachchi, a fellow of the Certified Professional Managers of Sri Lanka (FCPM), won the prestigious award for "CEO of the Year – 2018" in both the Asian and Sri Lankan context at the 9th Asia's Best Employer Brand Awards held in Singapore, and 13th Annual Best Employer Brand Awards 2018 in Sri Lanka.

The Employer Branding Awards aims to celebrate excellence in HR and recognise organizations and individuals who are currently pushing the boundaries of people strategy. The award platform is hosted by World HRD Congress in collaboration with Employer Branding Institute and is conferred on organisations with robust and effective HR and people management practices, catering to the needs and all-round growth of the business, employees, industry and nation.

Mr. Kaluarachchi with his exemplary leadership also led SLT Human Capital Solutions to clinch multiple awards for Best Overall Recruiting and Staffing Organisation of the Year, Excellence in Training & Development Award-an Overall Award for Best Result Based Training and Best Service Provider in HR.

## DUAL HONOURS FOR CPM FELLOW MEMBER MR. ROSHAN KALUARACHCHI



In addition to being the CEO of SLT Human Capital Solutions, he also serves as the Chief Customer Officer of Sri Lanka Telecom PLC and the Managing Director of Talentfort (Pvt) Ltd. He is a veteran in the field of Marketing and Business Management with over 24 years of practice within the entire spectrum of Marketing including Sales Management and Strategic Business Management in both multinational and blue chip companies in Sri Lanka.

He holds a Postgraduate Diploma in Marketing (CIM UK) and is a Chartered Marketer. He also holds a Masters in Business Studies from the University of Colombo and is currently reading for a PhD in Management and Business Studies at the University of Colombo. He is also a fellow of the Chartered Institute of Marketing (FCIM) and a Fellow of Sri Lanka Institute of Marketing (FSLIM).

Educated at Royal College Colombo, Mr. Kaluarachchi has made his alma mater proud with his

impressive achievements. As an active sportsman, he represented the college tennis team and currently plays club tennis representing the Sinhalese Sports Club (SSC). He also exalted in archery and rifle shooting by winning gold medals at the National Championships. He is a passionate cyclist and a member of the cycling club 'wroom'.



## CPM PRESIDENT, PROF. LAKSHMAN R. WATAWALA AWARDED LIFETIME ACHIEVEMENT AWARD FOR OUTSTANDING LEADERSHIP AND CONTRIBUTION TO THE ACCOUNTING PROFESSION

The Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) paid a glowing tribute to President of CPM Governing Council, Prof. Lakshman R. Watawala, in appreciation of his outstanding leadership and contribution to the accounting profession. He had a distinguished career of over 4 decades in serving the accounting profession.

The President of the International Federation of Accountants (IFAC) Ms. Rachel Grimes and Speaker of the Parliament of Sri Lanka & Patron of CPM, Hon. Karu Jayasuriya jointly presented the 'Lifetime Achievement Award' to Prof. Lakshman R. Watawala at the Global Management Accounting Conference 2018 held in Colombo, Sri Lanka.

Prof. Watawala currently serves as Founder President of CMA Sri Lanka which is globally recognized with membership of the International Federation of Accountants (IFAC).

He was the founder signatory of the South Asian Federation of Accountants formed in 1984 and the 02nd President of SAFA in 1986.

Prof. Watawala is a Past President of the Institute of Chartered

Accountants of Sri Lanka and also served the Council of CA Sri Lanka for 20 years, and was the youngest President of the Institute. Prof. Watawala found AAT Sri Lanka and steered it for more than a decade which produce professionally qualified and technically trained Accounting Technicians.

He is also a Past President of the Organisation of Professional Associations of Sri Lanka (OPA) and Past President of Association of Management Development Institutions of South Asia (AMDISA).

Prof. Watawala served as the Chairman and Director General of the Board of Investment of Sri Lanka, Chairman of Peoples Bank, Chairman of National Insurance Trust Fund, Chairman of Peoples' Merchant Bank, Chairman of Pan Asia Bank, Chairman of State Mining and Mineral Development Corporation, Chairman of Ceylon Leather Products Corporation. He was also a Director of Richard Pieris & Company PLC, Deputy Chairman of Gestetner of Ceylon PLC, Deputy Chairman of Singapore Informatics and was an Advisor to the Ministry of Finance.



Recognition of Outstanding Leadership and Contribution to the Accountancy Profession 'Life Time Achievement Award' present by Chief Guest, Speaker of Parliament, Hon. Karu Jayasuriya and International Federation of Accountants (IFAC) President, Ms. Rachel Grimes to CMA President Prof. Lakshman R. Watawala.

Accompanied by (from left) South Asian Federation of Accountants (SAFA) President Dr. Suvod Kumar Karn, CMA Vice President, Mr. H.M.Hennayake Bandara, CA Sri Lanka President, Mr. Jagath Perera, Canada High Commissioner, Mr. David McKinnon and Prof. Ho Yew Kee, Professor of Accounting and Associate Provost (SkillsFuture and Staff Development) Singapore Institute of Technology

## CPM SRI LANKA SIGN MoU WITH JCI SRI LANKA



The CPM Sri Lanka recently signed a MoU with the Junior Chamber International, Sri Lanka (JCI Sri Lanka) to facilitate professional development, knowledge exchange and capacity building in order to develop competent management professionals in Sri Lanka.

## New Memberships awarded and Membership upgrades during April 2018 to September 2018

### New Memberships-Fellow (FCPM)

Membership No.	Name	Designation	Organization
FCPM00269	Mr. M.D.N. Perera	General Manager-Marketing	Expack Corrugated Cartons (Pvt) Ltd
FCPM00270	Mr. N.B. Premarajan	Senior General Manager & Head of Operations	WNS Global Services (Pvt.) Ltd
FCPM00271	Mr. T.U.K. Peiris	Board Director	Hayleys Advantis Ltd
FCPM00272	Mr. P.D.H.T. Venisious	Managing Director-Indian Operation	Damro Furniture (Pvt) Ltd
FCPM00273	Mr. M.B.M. Nawaz	Manager-Shariah Department	Amana Takaful PLC
FCPM00274	Mr. S.D.K. Rosa	Senior Manager-Bancassurance	People's Insurance PLC
FCPM00275	Mr. A.S. Aravinthon	Manager-Jaffna Branch	The Hongkong and Shanghai Banking Corporation Limited
FCPM00276	Mr. I.D.S.P. Rupasinghe	Managing Director	APL Logistics Ltd
FCPM00277	Mr. T.C.S.R. Peiris	Consultant-Chief Innovation Officer	Bimpuh Finance PLC
FCPM00278	Mr. S.S. Samarasinghe	Director-Sales & Distribution	Etisalat Lanka (Pvt) Ltd
FCPM00281	Mrs. K. Shanthrakumar	Dean-Faculty Communication and Business Studies	Eastern University of Sri Lanka
FCPM00283	Mr. S.J. Liyanage	Head-Environmental Science Division	Hayleys Agriculture Holdings Limited
FCPM00285	Mr. S.S. Jayaram	Head of Sales Training & Development	AIA Insurance Lanka PLC
FCPM00286	Dr. S.H.M. Faraaz	Chief Executive Officer	Lanka Sathosa Limited
FCPM00287	Mrs. A. Jayasundera	Lecturer	Polytechnic Bahrain
FCPM00288	Dr. D.M.A. Kulasooriya	Director General	National Institute of Business Management

### Upgraded-Fellow (FCPM)

Membership No.	Name	Designation	Organization
FCPM00279	Mr. W.N.A.M. Abeysekera	CEO/ Executive Secretary	The Institution of Engineers Sri Lanka
FCPM00280	Dr. K.A. Lalithadheera	Director	NHRDC
FCPM00282	Ms. G.W.M.B. Primrose Mascarenhas	Director Administration / HR Consultant	Ramtop Enterprise
FCPM00284	Mr. I.P. Gunawardena	Group CIO	Laugfs Holdings Limited



## New Memberships awarded and Membership upgrades during April 2018 to September 2018

### New Memberships-Member (MCPM)

Membership No.	Name	Designation	Organization
MCPM00678	Mr. W.H.S. Fernando	Manager	Sanken Overseas Maldives (Pvt) Ltd
MCPM00679	Mr. I.M.C.D. Ilangakoon	IT Executive	CIC Lifesciences Limited
MCPM00680	Mrs. N.D.S.N. Gunasekara	Executive - Information System Audit	National Development Bank
MCPM00681	Mr. W.D.M.S.M. Gamanayake	Accountant	Tokyo Cement Power Lanka (Pvt) Ltd
MCPM00682	Mr. H.D.G.C. Perera	Director-Sales & Marketing	Lucky Impex (Pvt) Ltd
MCPM00683	Mr. P.A.N.S.B. Kumarasinghe	Deputy Divisional Manager	David Pieris Motor Company (Pvt) Limited
MCPM00684	Mr. P.A.A. Priyantha	Operational Manager	Damro Furniture Pvt Ltd-India (Foreign Branch)
MCPM00685	Mr. H.T. Niroshana	Accountant	Mercantile Marine Management Ltd
MCPM00686	Mr. D.S.H.S.K.A. Perera	Manager-Service Operations	Brown & Company PLC
MCPM00687	Ms. D.A.D. Ranasinghe	Senior Assistant Director-Examinations	CMA Sri Lanka
MCPM00688	Mr. W.D.N.P.W. Gunathilake	HR Development & Administrative Manager	The Regent Country Club
MCPM00689	Mr. P.K.S. Wimalasooriya	Assistant Manager-Marketing Statistics and Procedures	Ceylon Petroleum Corporation
MCPM00690	Mr. E.K.A.R. Kumara	Executive Officer	Ceylon Petroleum Corporation
MCPM00691	Mrs. P. Subathini	Head-Department of Business & Management Studies	Eastern University of Sri Lanka
MCPM00692	Mr. K.G. Chandrakumara	Safety & Environment and Stakeholder Relation Manager	INSEE Ecocycle Lanka (Pvt) Ltd
MCPM00693	Mr. N.C.M. De Silva	Director	Idea Group Limited
MCPM00694	Mr. W.M.T. Wijesinghe	Assistant Commercial Manager	Ceylon Petroleum Corporation
MCPM00695	Mr. K.N.A. Dissanayake	Director-Finance	National Aquaculture Development Authority of Sri Lanka
MCPM00696	Mr. M.N.N. Medonza	Assistant Relationship Manager	DFCC Bank PLC
MCPM00697	Mr. P. Pragash	Accountant	myPOS Software Solutions (Pvt) Ltd
MCPM00698	Mr. E.K.P. Piumaka	Accountant	Millennium Housing Developers PLC
MCPM00699	Mr. H.R. Wanniarachchi	Deputy Finance Controller	Millennium Housing Developers PLC
MCPM00700	Mr. V.J.W. Wickramasingha	Service Engineer	Electrical Maintenance LSK Ltd.
MCPM00701	Mr. V.K.H. Singappulige	Assistant Manager-Materials	Ceylon Petroleum Corporation
MCPM00703	Mr. U.M. Ranasinghe	Manager-Media	Urban Development Authority
MCPM00704	Mr. W.M.C.C. Wijerathna	Officer In Charge	Office of the Senior Deputy Inspector General of Police-Badulla
MCPM00705	Mr. P.L.N. Gunarathne	Corporate Trainer	AIA Insurance Lanka PLC
MCPM00706	Mrs. A.A. Liyanage	Accountant	TinPak (Pvt) Ltd

### Upgraded-Member (MCPM)

Membership No.	Name	Designation	Organization
MCPM00702	Ms. F.Z. Ansary	Country Manager	CIMA Sri Lanka

## New Memberships awarded and Membership upgrades during April 2018 to September 2018

### New Memberships-Associate (ACPM)

Membership No.	Name	Designation	Organization
ACPM01332	Mr. S. Sureshkumar	Chief Accountant	National Company for Management & Services Ltd.
ACPM01333	Mr. S.M.N. Siriwardhana	Chief Financial Officer	Unique Trends Pvt Ltd
ACPM01334	Mr. A.S.M. Safras	Civil Engineer	J.S. Construction Private Limited
ACPM01335	Mrs. Y.H. Abeysundara	Assistant Manager Law Enforcement/Acting Director Lega	National Child Protection Authority
ACPM01336	Mr. K.M.N.P.N. Bandara	Audit Manager	AIX Associates LLP
ACPM01337	Mrs. H.P.B.K. Gunarathne	Audit Supervisor	Ernst & Young Chartered Accountants
ACPM01338	Mr. M.B.J. Ahsan	Audit Senior	V. Ariaratnam & Co.
ACPM01339	Mr. V. Kishaan	Assistant Manager-Business Development	The Lanka Hospitals Corporation PLC
ACPM01340	Mr. H.K.G. Kumara	Senior Executive	CDB Finance PLC
ACPM01341	Mr. H.M.J. Thilakarathne	Assistant Manager -Procurement	Vision Care Optical Services (Pvt) Ltd
ACPM01342	Mr. W.S.B. Wijethunga	Senior Accounts Executive	Vision Care Optical Services (Pvt) Ltd
ACPM01343	Mrs. W.R.P. Nilmini	Senior Accounts Executive	Vision Care Optical Services (Pvt) Ltd
ACPM01344	Mrs. W.H.I.S. Fernando	Senior Accounts Executive	Vision Care Optical Services (Pvt) Ltd
ACPM01345	Mrs. R.D. Wijesinghe	Accountant	Vision Care Optical Services (Pvt) Ltd
ACPM01346	Mr. R. Nithershan	Lecturer-Finance & Management	Gateway Graduate School
ACPM01347	Mrs. A.R. Abeysundara	Assistant Manager -Charge Territory 2	HNB Assurance PLC
ACPM01348	Mr. J.L.D.H.A. Wijegunasekara		CEODPJ Holdings
ACPM01349	Mr.D.M.C.P. Dissanayake	Computer Instructor	National Institute of Co-Operative Development
ACPM01350	Mr. A.M.M.P. Baduwatte	Junior Executive Officer	Commercial Bank of Ceylon PLC
ACPM01351	Mr. R.M.S.I. Rathnayake	Accountant	Engineering Design & Project Management Consultants (Pvt) Ltd
ACPM01352	Mr. K.C. Maduranga	Assistant Manager-HR	Sri Lanka Insurance Corporation Ltd
ACPM01353	Mr. M.G.H. Dinesh	Assistant Accountant	Mikro Industries (Pvt) Ltd
ACPM01354	Mrs. N. Koirala	Office Manager	J.N. Upadhayay & Company
ACPM01355	Mr. I.L.S. Mohamed	Finance Officer	Save the Children International
ACPM01356	Mrs. V. Mayurie	Executive-MIS	Cargills Bank Ltd
ACPM01357	Mr. H.H.A. Kumara	Head of Gold Loan	Siyapatha Finance PLC
ACPM01358	Mr. H.J.R. Buddhika	Finance Executive	John Keells Holdings PLC
ACPM01359	Mr. W.M.L.S. Fernando	Accountant	Mountain Hawk Express Private Limited
ACPM01360	Mrs. G.K.M.S. Jayasinghe	Senior Accountant	Ernst & Young Chartered Accountants
ACPM01361	Mr. H.M.M.K. Wijetunge	Accountant	Ranfer Teas (Pvt) Ltd



## New Memberships awarded and Membership upgrades during April 2018 to September 2018

### New Memberships-Associate (ACPM)

Membership No.	Name	Designation	Organization
ACPM01362	Mr. H.A.M. Fazmil	Senior Accountant	Ernst & Young Chartered Accountants
ACPM01363	Mr. S.R.P.U. De Silva	Administrative Secretary	Sri Lanka Institute of Training and Development
ACPM01364	Mr. Y.V.S. Peiris	Zonal Accountant	Kalutara Provincial High Court
ACPM01365	Mr. M.N.M. Nowzath	Accountant	Illyas and Company (Pvt) Ltd
ACPM01366	Mr. A.C.M. Hismath	Senior Accountant	Ernst & Young Chartered Accountants
ACPM01367	Mrs. T.P.K. Fernando	Assistant Manager-HR	Ceyoka (Pvt) Ltd
ACPM01368	Mr. J.M. Rifan	Auditor	HLB Hamt Chartered Accountants-Dubai
ACPM01369	Mr. T.A.M. Ashan	Audit Supervisor	Ernst & Young-Maldives
ACPM01370	Mr. K.A.D.M.P. Kariyapperuma	HR-Executive	SanMech (Pvt) Ltd
ACPM01371	Mr. M.H.K. Mahawelage	Director	Diol Consultancy Services (Pvt) Ltd.
ACPM01372	Mr. W.G.U.E. Jayanath	Assistant Accountant	SanMech (Pvt) Ltd
ACPM01373	Mr. C.H. Edirisooriya	Leaf Business Development Manager	Ceylon Tobacco Company PLC
ACPM01374	Mr. R.A.D. Perera	Senior Executive Customer Experience	Mobitel (Pvt) Ltd
ACPM01375	Mr. R.M.D. Rathnayake	Assistant Accountant	Plantation Human Development Trust
ACPM01376	Mr. A.L.A.D. Chandima	Development Officer	Uva Management Development Institute
ACPM01377	Mrs. H.N.S. Fernando	Accounting Assistant	Ceylon Electricity Board
ACPM01378	Mr. A.L.M. Irfan	Senior Accountant	UAE Exchange Centre LLC
ACPM01379	Ms. Y.D.H.G.N.M. Wimalarathna	Supervisor	Ernst & Young Chartered Accountants
ACPM01380	Ms. K.Y.S. Gunathilaka	Senior Accountant	Ernst & Young Chartered Accountants
ACPM01381	Mr. S.K. Perera	Audit Supervisor	Ernst & Young Chartered Accountants
ACPM01382	Mr. G.W.I.M. Bandara	Audit Supervisor	Ernst & Young Chartered Accountants
ACPM01383	Mr. W.A.S. Nirmintha	Management Assistant	Ceylon Petroleum Storage Terminals Limited
ACPM01384	Mrs. D.N. Malliyawadu	Accounting Manager and Country Head	Lions Financial Group
ACPM01385	Mr. M.F.A.R. Fuard	Accountant	British Centre for Administrative Training-Qatar
ACPM01386	Mr. N.A.T.U. Kumara	Accounting Manager	Almarai Company
ACPM01387	Mr. I.S. Jayasuriya	Manager	National Savings Bank
ACPM01388	Mrs. A.S.C. Silva	Senior Store Executive	Ceylon Petroleum Storage Terminals Limited
ACPM01389	Mr. M.L.P.J. Perera	Internal Auditor	World Vision Lanka
ACPM01390	Mr. R.A.H.B. Ranawaka	Executive - Taxation	Brandix Apparel Limited
ACPM01391	Mrs. B.C.I. Samaranthi	Management Assistant	Ceylon Petroleum Corporation
ACPM01392	Mr. A.A.N. Sampath	Assistant Manager-Internal Audit (Retail Sector)	Sofftlogic Retail (Pvt) Ltd

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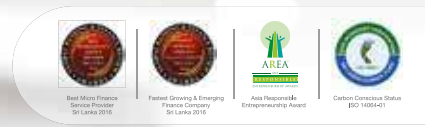
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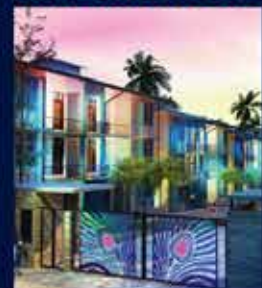
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