

SL Business Case Studies

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Staff Development Unit
Faculty of Commerce & Management Studies
University of Kelaniya, Sri Lanka

SL Business Case Studies

Sri Lankan Case Studies in Business Management

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This editorial board facilitated the academic and production quality of this inaugural volume of *SL Business Case Studies*.

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Foreword

It is with great pride and anticipation that I present this inaugural publication, *Sri Lankan Business Case Studies (SLBCS)*, compiled and published by the Staff Development Unit of the Faculty of Commerce and Management Studies, University of Kelaniya. This volume marks a significant milestone in our faculty's journey toward fostering applied learning and contextually relevant academic scholarship in business education. This first-of-its-kind collection features seven original case studies based on real business scenarios from leading Sri Lankan companies. The cases span a diverse range of subject areas including Information Systems, Forensic Accounting, Financial Technology, Finance, Human Resource Management, and Marketing, reflecting the multifaceted challenges and innovations shaping the Sri Lankan corporate landscape. What makes this publication especially valuable is its authorship. Each case has been thoughtfully developed by academic staff members of our faculty, drawing on their close engagement with both industry and pedagogy. These contributions not only enrich the practical relevance of our teaching materials but also serve to bridge the gap between academic theory and business practice.

I commend the Staff Development Unit for its vision and dedication in initiating this publication, and I extend my heartfelt appreciation to the authors whose efforts have made this work possible. I am confident that this book will serve as an important resource for students, educators, and practitioners alike supporting critical thinking, problem-solving, and the development of future-ready business leaders. Let this be the beginning of a sustained effort to build a robust, localized case study repository that showcases the dynamism and diversity of Sri Lankan enterprises.

Prof. W.M.C.B. Wanninayake

Dean

Faculty of Commerce & Management Studies

University of Kelaniya

Preface

“We don’t have our own business cases to support the learning process. All we use are from foreign contexts”—this is perhaps the most frequent concern raised by management educators in Sri Lanka. Some argue that local cases are unnecessary when global best practices are available. However, in a context like Sri Lanka, where the local environment deeply influences business decisions, contextual learning is essential. Business education must move beyond generic templates to embrace ‘contingent’ and ‘contextual’ learning, allowing students to understand the interplay between local realities and management theories.

While some local case study writing initiatives have emerged, very few include proper case releases where companies consent to the use of their real names and data. The SLBCS aims to bridge this gap by publishing seven original case studies, each accompanied by a formal case release—an initiative proudly supported by the faculty of Commerce and Management Studies. The SLBCS’s case studies were developed based on the ‘Ivey Case Study Method’ which emphasizes not just the development of high-quality cases, but also the preparation of comprehensive ‘Teaching Notes’.

I wish to acknowledge the former Dean, Prof. P.N.D. Fernando, who initiated faculty participation in Ivey training program in 2018 in Hong Kong. Having participated in the ‘case study writing’ training, I shared my learnings with my faculty members and gave birth to the idea of publishing our own case study book, based on Ivey protocols. My own role as a trainer and mentor for Ivey- style case development as well as my rigorous editorial work could contribute to converting this shared academic experience into an authentic local publication.

The contributions of the current Dean, Prof. W.M.C.B. Bandara Wanninayake, whose unwavering encouragement, have been a key driving force behind our continued efforts to bring this initiative to fruition. I also extend my appreciation to Dr. H.M. Tishani Herath, former Coordinator of the Staff Development Unit (SDU), for her instrumental role in facilitating the development of case-based teaching modules within the faculty and taking the initial burden of this publication. Dr. S.A.C.L. Senarath, the current coordinator of the SDU of the faculty, could ultimately make this publication a reality.

The goal of SLBCS is not only to promote case-based teaching but also to cultivate a research culture among faculty members and foster a deep engagement between academia and industry. This volume, we hope, will initiate a lasting transformation in how management education is delivered in Sri Lanka.

Prof. Udaya Mohan Devdas
Issue Chief Editor, SLBCS

Acknowledgement

This pioneering volume, *SL Business Case Studies (SLBCS)*, would not have been possible without the collective vision, commitment, and support of many individuals who contributed to its success.

We express our heartfelt gratitude to **Prof. W.M.C.B. Wanninayake**, Dean of the Faculty of Commerce and Management Studies, University of Kelaniya, for his steadfast encouragement and belief in the importance of locally relevant teaching materials. We also extend our sincere appreciation to **Prof. D.M.R. Dissanayake**, Director of the Staff Development Centre, for generously sponsoring this publication and supporting its realization. We are especially grateful to Prof. Udaya Mohan Devdas, whose academic leadership and dedication in training faculty on the Ivey Case Development Method laid the foundation for this initiative. His mentorship and guidance were vital in ensuring the academic quality of the case studies.

Special thanks are due to **Dr. H.M. Tishani Herath**, former Coordinator of the Faculty Staff Development Unit, for her leadership in reviving the case development training module in 2022. We gratefully acknowledge the collaboration of the companies featured in this volume. In particular, we thank **Dr. Anil Munasinghe** (CEO, Kelani Cables PLC), **Mr. Gayan Pramuditha** (General Manager – Finance, MAS Kreedaa), **Mr. Dilusha Perera** (Lead Digital Evangelist / Deputy General Manager, MAS Kreedaa), and **Mr. Dhanika Perera** (Founder/CEO of Bhasha Lanka (Pvt) LTD) for their openness and support in sharing real-world insights. Our sincere appreciation goes to all the authors whose hard work, intellectual commitment, and dedication made this publication possible.

Finally, we acknowledge the many others who supported this effort through academic guidance, coordination, or encouragement whose contributions, though often behind the scenes, were invaluable. This volume is a testament to collaborative academic effort and marks an important step forward in advancing contextualized management education in Sri Lanka.

Dr. S.A.C.L. Senarath
Managing Editor, SLBCS
Coordinator, Staff Development Unit FCMS

Introduction

The SL Business Case Studies (SLBCS) publication represents a landmark initiative in Sri Lanka's business education landscape, offering a much-needed repository of locally developed, real-world case studies tailored to the Sri Lankan context. This inaugural volume brings together seven carefully crafted case studies that capture contemporary business challenges and strategic responses across a range of sectors and disciplines.

Developed by academic staff from the Faculty of Commerce and Management Studies at the University of Kelaniya, these case studies cover key subject areas such as Information Systems, Forensic Accounting, Financial Technology, Finance, Marketing, Human Resource Management, and Strategic Management. Each case draws on actual organizational experiences from prominent Sri Lankan companies, enriching classroom learning with practical, contextually grounded insights.

Organizations featured in this volume include MAS Kreeda, Bhasha Lanka (Pvt) Ltd., Kelani Cables PLC, and Infomate (Pvt) Ltd. generously collaborated in this academic endeavor, enabling faculty to explore complex themes such as digital transformation, fraud mitigation, fintech innovation, cultural renewal, strategic brand repositioning, and sustainable business practices. These cases are not only pedagogical tools but also reflections of the real and dynamic interplay between business strategy and local operating environments.

The significance of this collection lies in its ability to address the persistent gap in locally relevant case study materials. While global case repositories offer valuable examples, they often fail to capture the nuances of operating within Sri Lanka's socio-economic and regulatory landscape. SLBCS aims to bridge that gap by embracing both contextual relevance and academic rigor, enabling students and educators to engage in critical analysis and decision-making grounded in local realities.

Aligned with the best global practices such as the Ivey and Harvard case methodologies, the cases in this volume follow structured teaching note protocols to facilitate effective use in undergraduate and postgraduate classrooms. Moreover, this initiative signals a broader institutional commitment to promoting case-based learning and enhancing the applied scholarship of Sri Lankan academia.

SLBCS is more than a compilation it is the beginning of a sustained effort to build a national case study repository that reflects the challenges, aspirations, and innovations of Sri Lankan businesses. It is hoped that this publication will inspire future collaborations between academia and industry, and serve as a catalyst for deeper, practice-oriented learning across business disciplines.

DIGITAL TRANSFORMATION OF MAS KREEDA

Perera, P.R.M.R., Silva, N.L.C., Silva, N.K.L., Weerawickrama, V.L., Rajapaksha, R.A.S., Herath, H.M.M.N., Walpola, W.K.L.A., Sandakelum, E.A.I.¹ wrote this case study solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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“Being world-class in what we do” is a philosophy championed by Deshamanya Mahesh Amalean, Co-Founder and Chairman of MAS Holdings, and it reflects well the vision behind MAS KREEDA’s transformative journey. As a leading partner for Nike, MAS KREEDA embarked on a groundbreaking digital transformation in 2017 to tackle rising global competition, cost pressures, and the growing demand for data-driven decision-making. With operations spanning manufacturing locations worldwide, the company embraced cutting-edge technologies such as 3D product design, digital supply chain management, and business intelligence dashboards. This bold initiative not only streamlined operations but also positioned MAS KREEDA as an industry innovator, redefining its competitive edge in the global sports manufacturing arena.

MAS KREEDA

MAS Holdings is a design-to-delivery solution provider in apparel and textile manufacturing, headquartered in Sri Lanka. Founded in 1987 by Mahesh, Sharad and Ajay Amalean, the company began as an intimate apparel manufacturer and later diversified into sportswear, performance wear, swimwear, brands, wearable technology, FemTech, start-ups and industrial parks. The organisation employs 110,000 people across 57 manufacturing plants in 17 countries, with design locations in Colombo, New York, London, and Hong Kong.

MAS KREEDA is also backed by the wider ecosystem of MAS Holdings, one of the world’s most recognized design-to-delivery solution providers with 30+ years of industry expertise and 50+ manufacturing facilities across the globe. MAS KREEDA derives its name from the Sanskrit word for sports and is MAS Holdings’ exclusive partner for Nike. Nike has 11 manufacturing locations situated in Jordan, Indonesia and Sri Lanka, which have been strategically placed to give the customers a competitive edge.

¹ <https://doi.org/10.17605/OSF.IO/5TRSJ>

DIGITAL TRANSFORMATION AT MAS KREEDA: REVOLUTIONIZING SPORTS MANUFACTURING

MAS KREEDA's digital journey took off in 2017 with the support of SAP as its Enterprise Resource Planning (ERP) system. Further, the company has successfully implemented ORACLE to manage its Human Resource Information System (HRIS). This technological foundation aims to streamline operations and enhance organizational efficiency. However, as the landscape of the sports manufacturing industry evolved, MAS KREEDA encountered formidable challenges, including the imperative to minimize costs, automate processes for greater agility, contend with intensified global competition, and fulfil the growing necessity for data analytics to foster well-informed decision-making. These challenges prompted MAS KREEDA to proactively seek innovative solutions and pave the way for a comprehensive digital transformation within the company.

MAS KREEDA, recognizing the changing dynamics of the sports manufacturing industry and the challenges it faces, took a bold step toward digital transformation. To enhance efficiency and maintain a competitive edge, the company adopted advanced digital technologies to revolutionize its operations. This initiative introduced key elements such as digital product creation, which transformed the creative process and product development, and a supply chain control tower, which streamlined operations and improved transparency. Additionally, Business Intelligence (BI) Dashboards provide decision-makers with real-time insights through comprehensive data analytics. By embracing these technologies, MAS KREEDA reaffirmed its commitment to innovation, agility, and staying ahead in a rapidly evolving global market.

As a part of its technological transformation, MAS KREEDA strategically integrated 3D Product Designing/Prototypes, marking a significant leap in product development speed and efficiency. This implementation not only accelerated the innovation cycle but also fostered heightened creativity and customization capabilities, aligning the company with the evolving demands of the sports manufacturing industry. Simultaneously, the introduction of a supply chain control tower involved the incorporation of advanced digital platforms. This initiative aimed to seamlessly optimize supply chain operations, enhancing overall efficiency and transparency. It positioned MAS KREEDA to respond swiftly to market demands and ensure a streamlined and agile supply chain. Complementing these advancements, the integration of Business Intelligence (BI) Dashboards equipped the organization with powerful tools for data analytics. This not only facilitated real-time insights but also empowered decision-makers with a comprehensive understanding of operational dynamics, fostering informed and strategic decision-making within the company. Together, these technological enhancements underlined MAS KREEDA's commitment in staying ahead in the industry through innovation, efficiency, and data-driven decision-making.

The journey towards digital transformation at MAS KREEDA encountered several barriers that demanded strategic resolution. A significant obstacle was the existing skill gap, prompting the company to proactively address the challenge by implementing

comprehensive training programs and strategic recruitment strategies. Recognizing the paramount importance of data security, MAS KREEDA initiated discussions on the critical need to maintain robust security protocols. This involved the seamless integration of state-of-the-art security measures into the newly adopted technologies, ensuring the integrity and confidentiality of sensitive information. Overcoming resistance to change became imperative, and MAS KREEDA tackled this successfully by fostering a culture of innovation within the organization. Emphasizing the benefits and opportunities associated with digital transformation, the company sought to inspire a collective mindset shift. Lastly, acknowledging the natural reluctance to change among employees, MAS KREEDA implemented change management strategies, effective communication channels, and sufficient incentives to encourage a positive and adaptive attitude among its workforce. These proactive measures aimed to not only address barriers but also cultivate an environment conducive to successful digital transformation.

To ensure the success of its digital transformation, MAS KREEDA recognized the importance of establishing the correct structures to support this ambitious initiative. This involved creating a robust framework that aligned technological advancements with organizational goals. Key steps included defining clear roles and responsibilities, streamlining decision-making processes, and fostering cross-functional collaboration to bridge gaps between departments. By building an integrated structure, MAS KREEDA enabled seamless communication and alignment of efforts, ensuring that every aspect of the transformation contributed to its overall objectives. This foundational approach, combined with its focus on people and technology, provided a solid platform for achieving sustainable success in its digital journey.

MAS KREEDA took proactive steps to overcome the challenges associated with its digital transformation. A key focus was addressing the skill gap through detailed and comprehensive training initiatives, empowering employees with the knowledge required to adeptly leverage new technologies. Emphasizing the critical need for data security, the company implemented state-of-the-art security protocols in collaboration with cybersecurity experts, ensuring the integrity and confidentiality of its digital assets. To facilitate a cultural shift towards innovation, leadership initiatives were introduced, fostering a supportive environment for experimentation and continuous learning. Furthermore, change management strategies were employed, emphasizing effective communication of the benefits and vision of digital transformation. MAS KREEDA incentivized and recognized employees who embraced and contributed to the change, creating a positive atmosphere that encouraged and celebrated the successful integration of digital technologies into the company's operations. These collective efforts were pivotal in overcoming challenges and steering MAS KREEDA toward a successful digital future.

The integration of new technologies at MAS KREEDA has yielded a transformative impact on its operations, marked by notable advancements in cost minimization, productivity enhancements, and overall competitiveness. The adoption of cutting-edge solutions has streamlined processes, resulting in operational efficiencies that contribute significantly to cost reduction. Automation initiatives have not only optimized internal workflows but

have also enhanced the company's competitiveness by enabling swifter responses to market demands. Furthermore, the implementation of data analytics tools has empowered decision-makers within the organization. Specific instances showcase how data-driven insights have played a pivotal role in informed decision-making, offering MAS KREEDA a strategic advantage in navigating the dynamic landscape of the sports manufacturing industry. In essence, these technological enhancements have collectively fortified the company's operational foundation, positioning it as a forward-thinking and agile player in the global market.

In tandem with its commitment to digital transformation, MAS KREEDA has embraced an agile project management approach to enhance the execution of its initiatives. The company has instituted a bi-weekly committee meeting cadence to rigorously evaluate ongoing processes and project developments. This proactive approach allows MAS KREEDA to swiftly identify areas for improvement and make real-time adjustments, mitigating the risk of errors accumulating over time. By adopting an agile methodology, MAS KREEDA ensures that corrective measures are implemented promptly, fostering an iterative and adaptive project management culture. This agile framework not only aligns with the dynamic nature of the sports manufacturing industry but also highlights MAS KREEDA's dedication to continuous improvement and responsiveness in the face of evolving challenges and opportunities.

CASE QUESTIONS

01. How did MAS KREEDA's initial adoption of SAP and ORACLE in 2017 set the technological foundation for its digital journey, and what challenges prompted the company to pursue comprehensive digital transformation?
02. Explore MAS KREEDA's strategic decision to embrace new digital technologies, including 3D product designing/prototypes, Digital Supply Chain Management, and BI Dashboards. How did these technologies address the challenges the company faced in terms of cost minimization, process automation, and global competition?
03. Discuss the barriers to change that MAS KREEDA encountered during its digital transformation journey. How did the company address challenges such as skill gaps, security protocols, organizational culture, and employee attitudes towards change?
04. Examine the impact of MAS KREEDA's digital transformation on its operations. How have the new technologies positively influenced cost minimization, process automation, and overall competitiveness in the sports manufacturing industry? Provide specific instances of successful data analytics-driven decision-making.
05. Explore MAS KREEDA's approach to overcoming challenges in its digital transformation including the implementation of training programs, security measures, cultural shifts, and change management strategies. How did these initiatives contribute to the company's successful integration of digital technologies, and what lessons can other organizations learn from MAS KREEDA's experience?

DIGITALIZED FRAUD MITIGATION AT MAS KREEDA

Perera W.T.N.M, Pathiraja P.M.D.S, Wijerathna A.G.H.S.K., Muthunayake H., Perera M.R.H., Sandakelum E.A.I.², wrote this case study solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation.

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"Fraud is not an accounting problem; it is a human problem," aptly observed by financial expert Dr. Joseph T. Wells, resonates deeply with the challenges faced by MAS KREEDA. A key division of Sri Lanka's global apparel giant, MAS Holdings, the company found itself navigating the complexities of fraud mitigation in an increasingly digitalized environment. As a key manufacturing partner for Nike, MAS KREEDA operates across 03 countries. The company has to manage high-risk areas such as procurement, payroll, and insurance claims.

While the ERP system of the company provides robust controls, the interplay of manual processes and human decision-making left vulnerabilities. This case delves into MAS KREEDA's innovative strategies to tackle fraud, reflecting the delicate balance between technological advancement and human integrity in the global textile industry. This case unfolds within the competitive landscape of the global apparel industry, shedding light on the strategic decisions that define a leader's resilience against fraud in the digital age.

MAS KREEDA

MAS Holdings is a design-to-delivery solution provider in apparel and textile manufacturing headquartered in Sri Lanka. Founded in 1987 by Mahesh, Sharad and Ajay Amalean, the company began as an intimate apparel manufacturer and later diversified into sportswear, performance wear, swimwear, brands, wearable technology, FemTech, start-ups and industrial parks. The organization employs 110,000 people across 57 manufacturing plants in 17 countries, with design locations in Colombo, New York, London, and Hong Kong.

MAS KREEDA is also backed by the wider ecosystem of MAS Holdings, one of the world's most recognized design-to-delivery solution providers with 30+ years of industry expertise, and 50+ manufacturing facilities across the globe. MAS KREEDA derives its name from the Sanskrit word for sports and is MAS Holdings' exclusive partner for Nike. Nike has 11 manufacturing locations situated in Jordan, Indonesia and Sri Lanka have been strategically placed to give our customers a competitive edge.

² <https://doi.org/10.17605/OSF.IO/ZSCV3>

INTERNAL CONTROLS AND FRAUD PREVENTION THROUGH BUSINESS PROCESS DIGITALIZATION

In relation to fraud prevention and deterrence, MAS KREEDA has a special corporate structure named the Group Risk and Controlling (GRC) team. There are two main objectives or aspects of this GRC team Financial Reporting Reliability (FRR) and Fraud Risk Mitigation (FRM). GRC directly reports to the audit committee of MAS. GRC is more or less looking after policies, procedures and practices defined by MAS Holdings. At the group level, they have a separate team, the Group Reporting Team, which defines the policies like checking mechanisms and certain audit programs which are implemented by the GRC team. Under the GRC, they have different sections for diverse business clusters. For instance, they have an internal controlling process and system governance section under the MAS KREEDA Business cluster. Under this section, a separate team of interns replicate scenarios like fraud mitigation and financial reporting reliability. Concerning the digitalization part of this company, MAS KREEDA mainly uses the Systems, Applications, and Products in Data Processing (SAP) system. In addition, many other sub-systems connect with this main system. However, the main operating process is run by the main system, SAP. Understandably, every fraud cannot be detected nor prevented through the digitalization process.

Certain manual controls are in place. Moreover, digitalization has not yet been fully automated in this company. Therefore, integrity matters in some parts of this process. Therefore, it is more precise to mention that digitalization assists in detecting and preventing corporate frauds up to some context, but not fully. For instance, this company has implemented access control over the payment approval system as a first-line defense level with the intention of controlling fraud occurrence. However, this is just one part of fraud control, and probably plenty of system loopholes. For instance, if an individual shares a username and password with others, a tracking procedure must be followed through the system. MAS KREEDA has a second level of defense to control such frauds. Likewise, it requires implementing several levels of fraud mitigation steps, and a continuous procedure is mandatory to review the fraud mitigation strategies. Decision-making and process control require much intervention involving humans, whereas most decisions or controls may be influenced by their experiences and biases. Sometimes, they may not see the benefits in the long term but tend to consider that certain controls are useful in the short term. However, controls favourable in the long-term will certainly be important in future fraud prevention.

PLAUSIBLE AREAS OF FRAUDS/ RED FLAGS

MAS KREEDA has identified that most red flags are possible to occur in areas that have external interventions to the business. Specifically, in money-related transactions, the company has identified the most possible red flags in this company. Since this company is operating at a mass level, the procurement function plays a vital role, and it is a bit complex in the nature of its operations within the business. Around 50% of operations in this procurement function are for raw materials. The rest consists of non-raw material purchases and also service-related payments. Therefore, most of the time the key area

that business focuses on is procurement function. Relating to this procurement function there may be frauds in different natures like commissions and kickbacks.

Since MAS KREEDA operates on a large scale, it is ever evolving with more capital expenses for construction projects and other long-term projects. It is vital to identify the probable red flags in areas where money circulation occurs at a large level with many parties connected with the relevant projects. There can be room for indirect fraud as well as direct fraud. The next most probable red flags area is payroll. The personnel who are handling the payroll function may create fake vendors and transfer the money for these kinds of fake accounts. Also, this company faces the risk of assets misappropriation throughout the whole business and its sections. Since most frauds occur collectively and manipulated, implemented security points may not be able to prevent such frauds. It may require more advanced protection mechanisms. The next type of frequently occurring fraud is insurance fraud. This occurs when employees make false or exaggerated claims under an insurance policy to receive benefits or compensation to which they are not entitled. According to the company policy, employees just need to submit the bills to claim the insurance where it offers them more convenient grounds for enjoying fake claims.

MECHANISMS FOR MITIGATION AND PREVENTION OF FRAUD

Basically, MAS KREEDA has three main types of controls in fraud prevention and detection as manual controls, system controls and process controls.

Manual Controls - These are processes undertaken through human efforts to detect and curb any potential fraud. MAS KREEDA uses manual reporting procedures which include Control Self-Assessment (CSA) and internal audits (e.g., audit of petty cash disbursements every six months). All reports pass through the Head of Finance and the CEO, which allows proper supervision and responsibility while handling the company's funds.

System Controls - These involve technologies that aid in systematic security and self-regulatory checking. MAS KREEDA adopts strict ICT security policies, including issuance of separate user accounts, regular password change/reset requirements, and two-factor verification systems. In addition, data leaks are prevented by barring the connection of any external devices to the company laptops. The same applies to Exception Reports and supported access restriction systems such as Segregation of Duty Metrics (SDM). These significantly strengthen the company's anti-fraud systems.

Process Controls - These controls systematically form part of internal processes of the company to enhance compliance and prevent fraud. As in other business professional services, MAS KREEDA implements internally and externally recognized Standard Operating Procedures (SOPs). The rights are allocated according to business divisions and subdivisions that exist and the requests for new accesses are granted after careful scrutiny. Sharing of sensitive documents is also controlled by the company to ensure systematic classification and distribution of sensitive and confidential information.

This company has a central IT department governing the entire ICT security policy which provides certain controls over the whole business operations from the basic level to the

advanced level. The company has provided a laptop for every user (employee), along with a unique username and password. The system requires the renewal of passwords frequently, and two-factor authorization is also implemented in each access point. As part of the data leakage prevention policy, company provided laptops do not facilitate any portable hardware or external plugins so that it ensures the system's integrity throughout the whole system. Further, all documents used by users are classified under four categories such as public, MAS Only, Confidential Internal, and Confidential External. Based on the categorization, access and document transactions are controlled. The company's system has a well-structured document-sharing process, which enables the user to define its confidentiality level. Accordingly, they can send and receive documents under a higher level of security.

Advanced IT controls are being implemented by the divisional IT support and infrastructure team of MAS KREEDA. This company has established and documented SOPs covering most of its processes. In terms of system access policy, rules apply according to the business sections and their sub-clusters. These policies are monitored through Exception Reports. All new access requests are granted through the system according to the SDM of the company, which is defined under its policies. However, the company assesses such new requests according to the cruciality of current access and newly requested access. For instance, a request made by the user (employee) in the finance section to get access to the Goods Received Note (GRN) section in the system who currently has access to the payment portal will be thoroughly assessed by the company according to its policies.

When MAS implements control, three main points are considered. The first one is to identify areas that necessarily require control. Then, the controlling environment is created, and finally, a monitoring mechanism over controlling is implemented. This company is always reviewing whether its controlling mechanisms are effective and capable of detecting and preventing fraud. MAS KREEDA relies on both automated and manual controlling in fraud prevention and detection. The company prepares timely reports both through the systems and manual way for strategic business units (SBUs) and group separately. MAS KREEDA has a reporting mechanism called Control Self-Assessment (CSA) as part of its internal control mechanism, and it is currently deploying over 70+ areas in its group. For instance, for the petty cash function, a separate internal audit tool is currently employed biannually as an audit reporting mechanism. All these reports are required to be signed by the Head of Finance and then by the CEO of the company. The company highly focuses on this proper internal audit reporting mechanism, and they do review and monitor its progress continuously. MAS KREEDA has a separate methodology to facilitate whistleblowing from internal as well as external ways. The company is currently also allowing formal and informal ways of whistleblowing, and plenty of important information is being received through this mechanism. MAS KREEDA always tries to introduce mechanisms to prevent manual interventions while promoting digital interventions in detecting and preventing fraud.

CASE QUESTIONS

01. Describe how MAS KREEDA utilizes digital transformation to enhance its internal controls and prevent fraud within the organization.
02. Explain the key objectives of MAS KREEDA's Group Risk and Controlling (GRC) team, and how they contribute to financial reporting reliability and fraud risk mitigation.
03. Describe MAS KREEDA's digitalization strategy, particularly its use of the SAP system, and how it has impacted fraud prevention efforts.
04. Identify the main areas within MAS KREEDA where fraud is most likely to occur and outline the red flags that should be monitored.
05. Discuss how MAS KREEDA implements a comprehensive fraud mitigation strategy, including manual controls, system controls, and process controls.
06. Critically evaluate MAS KREEDA's approach to creating a controlling environment for prevention of fraud and the mechanisms in place for continuous monitoring and review.

BHASHA LANKA, WINNING FINTECH LANDSCAPE IN SRI LANKA

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“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”

~ R Buckminster Fuller

“We have one advantage, and we should wait for the right time!” said Dhanika Perera, founder and CEO of Bhasha Lanka (Pvt) Ltd. It was early in 2020 when Dhanika and his team at Bhasha Lanka dreamed of launching a fintech mobile application to facilitate hassle-free monetary transactions. At that time, Bhasha Lanka has already received the popularity of their much-loving super app, “Helakuru”. Dhanika has realised that Bhasha Lanka has the potential to offer diverse customer solutions.

Dhanika’s focus was on how their brainchild could get sufficient traction within the fintech landscape in Sri Lanka. The key challenge was the slow adoption of fintech within the Sri Lankan economy, hindered by various obstacles and the presence of dominant market players. Dhanika and his team were engaged in a formal discussion to answer several important questions. How could they create a winning strategy to accelerate the adoption of their fintech solution among Sri Lankan users? How could they build a unique customer proposition to stand out from the competition? As customers were moving to online platforms rapidly during and after COVID-19, Dhanika had to accelerate market entry. In 2021, Bhasha Lanka launched their fintech solution under the name of “HelaPay”. Could it be able to succeed?

BHASHA LANKA, HELAKURU, AND HELAPAY

Bhasha Lanka (Pvt) Ltd is a Software as a Service (SaaS) company founded in 2011 by Dhanika Perera with the aim of digitizing the future with its homegrown digital products. Bhasha Lanka gained prominence with its flagship product, “Helakuru”, a super app that revolutionized Sinhala language typing and digital communication. By 2021, Helakuru

³ <https://doi.org/10.17605/OSF.IO/H9VUR>

had more than 10 million app downloads. According to Digital Outlook Sri Lanka 2024⁴, Helakuru was one of the top five popular mobile applications in Sri Lanka. Over the years, the company has expanded its portfolio, addressing diverse customer needs through diverse digital services. HelaPay is their newly added digital product and was introduced as an integrated solution within the Helakuru super app.

CHALLENGES FOR FINTECH STARTUPS IN SRI LANKA

Since 2015, Sri Lanka's fintech ecosystem has been developing gradually, with startups and innovative solutions by established financial institutions to meet the needs of consumers and businesses. The Sri Lankan government has recognized the importance of fintech in driving financial inclusion and economic growth. Initiatives such as regulatory sandboxes⁵ and supportive policies were being introduced to foster innovation in the fintech sector. Fintech apps operating in Sri Lanka are subject to regulatory oversight, including jurisdictions related to financial services, data protection, and cybersecurity.⁶ Any fintech features integrated into apps would need to adhere to these complex regulations imposed by the Central Bank of Sri Lanka (CBSL), which could pose challenges in terms of compliance and licensing. No matter who introduces the fintech solution, every fintech solution should be thoroughly audited and permitted by the CBSL. Even though the infrastructure in Sri Lanka is enough to support the growth of digital payments, fintech startups in Sri Lanka face some challenges.

- ***Inadequate Adoption of Digital Payments*** - While social media and other digital services have been embraced by Sri Lankan consumers and companies, digital payments have not been embraced with the same enthusiasm. Payments made by distributors and retailers at the store have not grown as much as they should have during the COVID-19 lockdowns, despite a 600% increase in online banking volumes and more than 200% increase in fintech app registrations.⁷ Many shops and distributors prefer conventional payment methods, such as cash and cheques.
- ***Existence of Non-tech Savvy Population*** – In Sri Lanka, a considerable portion is non-tech savvy customers. Most of these customers live in rural areas. Even though Fintech apps have the potential to enhance financial inclusion by providing access to banking and payment services for the rural population, reaching non-tech-savvy customers and addressing their unique needs and preferences could be a challenge in Sri Lanka. As a result, any fintech solution designed to be more user-friendly for non-tech savvy individuals holds significant potential to capture a larger share of the market.

⁴ Source: APIDM, "Digital Outlook Sri Lanka 2024", <https://apidm.asia/resources/digital-outlook-srilanka/>

⁵ Source: https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/about/20200214-FinTech-Regulatory-Sandbox-of-CBSL-Framework-e.pdf

⁶ Siriwardena, C. P. J. (2018). *Payment and Settlement Systems Act Guideline No. 1 of 2018*. www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/cdg/Payment_%26_Settlement_Systems_Act_Guideline_No_1_of_2018_e.pdf

⁷ Shadforth, P. A., & Jayasooriya, S. (2022). *Pioneering digital payments in Sri Lanka's distribution chains*. IFC. <https://www.ifc.org/en/stories/2023/pioneering-digital-payments-in-sri-lanka-s-distribution-chains>

- **Competitive Landscape** - The fintech space in Sri Lanka is becoming increasingly competitive, with both domestic and international players competing for market share. Every fintech startup would need to differentiate itself and offer compelling value propositions to stand out in this crowded market.

The high expectations of VISA, an international payment network, for Sri Lanka's digital payments market present both substantial obstacles and potential for startups like Helapay. As evidenced by VISA's forecast, digital payments using VISA will double to \$14 billion by 2027 in Sri Lanka.⁸ Helapay's business model is about retaining foreign capital within Sri Lanka by providing direct debit functionality from the bank accounts. Helapay faces some challenges because of this growth trajectory, especially when competing with a major payment network in the world like VISA amid the changing digital payments landscape in Sri Lanka. However, Dhanika's dream is to empower people digitally with his products.

CUSTOMER VALUE PROPOSITION OF HELAPAY

Bhasha Lanka always wishes to offer a unique value proposition to its customers. According to Dhanika, he wants to address the pain points of the customers. He believed in customer empathy. Helapay allows users to conduct monetary transactions using biometric authentication such as fingerprint or facial recognition. While user-friendly features like these have been available on platforms like Google Pay since 2019, Helapay stands out as the pioneering provider of this technology specifically tailored for the Sri Lankan market.⁹ According to Dhanika, Helapay not only revolutionizes the way transactions are conducted in the country, but also plays a crucial role in minimizing foreign currency (forex) outflows, thus to retain foreign reserves within Sri Lanka. Traditionally, a considerable portion of the transaction value is lost in the form of fees and charges to international payment networks. The reliance on international payment networks like Visa and Mastercard has been a norm for conducting transactions, both locally and internationally. However, this dependency comes with its own set of challenges, including high transaction fees, and the risk of exchange rate fluctuations. By leveraging cutting-edge fintech solutions, Helapay allows its users to conduct transactions directly through Direct Debit, removing the need for debit or credit cards. Users can directly link their bank accounts to the Helapay app and make payments and transfers with just a few taps on their smartphones.

According to LankaClear¹⁰ CEO Channa de Silva, Sri Lanka is experiencing an outflow of foreign currency equivalent to Rs. 10 billion per year as fees and charges for international payment networks.¹¹ By bypassing these international networks, Dhanika wanted more money to remain within the Sri Lankan economy, thereby contributing to Sri Lanka's

⁸ Cassim, N. (2023). *Visa sees digital payments doubling to \$ 14 b by 2027* | Daily FT. <https://www.ft.lk/top-story/Visa-sees-digital-payments-doubling-to-14-b-by-2027/26-752363>

⁹ Lahiru, N. (2021, November 22). Helapay: Contactless payment done right. ReadMe. <https://readme.lk/helapay-contactless-payment-review/>

¹⁰ LankaClear is a payments infrastructure provider in Sri Lanka that operates LankaPay, the country's largest interbank payment network. LankaClear is owned by the Central Bank of Sri Lanka (CBSL) and licensed commercial banks.

¹¹ Bhasha Lanka (2021). Helakuru Facts - Knowledge base. <https://facts.helakuru.lk/payment-services/helapay>.

growth and development.

Furthermore, he was keen to promote financial inclusivity by providing access to digital payment solutions to a wider audience in Sri Lanka. Dhanika believed that the availability of alternative payment methods like HelaPay opens new opportunities for participation in the digital economy. Whether it's making everyday purchases, paying bills, or transferring money/remitting money to family and friends, Dhanika wanted to empower users with a convenient and accessible platform for conducting financial transactions. Taking a wider view/From a broader perspective, HelaPay showcased the potential of contactless payment solutions in a market such as Sri Lanka. From initiatives like LankaQR¹² to solutions for small- and large-scale businesses and transportation, Dhanika saw the opportunities for contactless payments to significantly impact various sectors.

STRATEGY – THE SECRET SAUCE

Dhanika always seeks to create the easiest way to get something done. He wanted to have simplicity behind his every creation. Aligning with his vision, HelaPay was developed with a simple user interface and easy configuration. When compared to the competitive products, HelaPay has a few steps for app configuration and the payment processes. The User Interface is extremely adaptable, even for the non-tech savvy. Dhanika preferred to streamline HelaPay's transaction process to a single gesture. By prioritizing simplicity and user-friendliness, HelaPay reduced the cognitive effort required for individuals to engage with its platform. To authenticate the app transactions HelaPay has introduced biometric authentication such as the Face ID or Fingerprint ID. Therefore, users are no longer required to navigate multiple steps or remember complex passwords.

As believed by Dhanika, the complexity of an innovation can either hinder or facilitate its adoption. Helapay's overall user experience prioritizes simplicity and perception, making it easy for users to understand and navigate the app. By minimizing complexity, Dhanika wanted to reduce barriers for users who may not be tech-savvy nor familiar with financial technology. The convenience and efficiency offered by HelaPay lead to observable outcomes such as faster payment processing or reduced time spent on financial tasks. Dhanika saw these visible benefits as serving as social proof and encouraging others to adopt Helapay, further contributing to its popularity.

HelaPay was able to offer significant pros over traditional payment methods and competing fintech apps in terms of faster processing times and additional features such as peer-to-peer (P2P) money transfers through instant messaging. Introducing P2P money transferring through instant messaging in 2023 was a breakthrough in the fintech landscape in Sri Lanka. In 2024, they introduced the foreign remittance transferring facility through the app itself. Dhanika wanted Helapay's solutions to be always compatible with the values, experiences, and needs of its target users in Sri Lanka. It addresses specific pain points or challenges faced by consumers in the local financial

¹² LANKAQR is a digital payment system in Sri Lanka that uses quick-response (QR) codes to allow customers to make payments without cash.

landscape.

By 2021, the Helakuru app had millions of user base, and they were not keen to acquire new users for their new business model. Rather than acquiring an entirely new user base for its fintech venture, Dhanika decided to integrate HelaPay seamlessly into its existing Helakuru app. At the end of 2023, Helakuru had a monthly active user base of around 5 million.¹³ Through the seamless integration of the fintech feature into the Helakuru app, users were provided with the opportunity to explore HelaPay's functionalities within the familiar environment of an app they already trusted and used regularly. According to Dhanika, this facilitated trial usage and encouraged users to experience the benefits of HelaPay firsthand, ultimately increasing their confidence and willingness to adopt the platform. Dhanika described his strategy:

“We had one advantage. At the time of launch, we already had millions of users in our super app. We didn’t put an effort into acquiring new users for our novel solution. What we did was simply integrate HelaPay into our Super App. It went so well, and we used it as our main marketing channel.”

Before the COVID-19 pandemic, digital payment adoption in Sri Lanka was relatively slow. However, the onset of COVID-19 drastically changed consumer behaviour, with a surge in demand for contactless payment options.¹⁴ Before COVID-19, only a few banks had adopted the Just Pay technology, and have introduced it by LankaPay, which offers the option of making retail payments directly from bank accounts. With the growing demand for online facilities, every bank adopted the Just Pay facility. HelaPay exploited this growing acceptance of “JustPay” technology by banks. Founder Dhanika believed that this shift allowed Helakuru to introduce its platform at the right time when there was a pressing need for reliable online payment solutions and could quickly gain traction among Sri Lankan consumers and businesses. Dhanika commented:

“With the COVID-19 pandemic in 2020, people started to find ways to do digital retail payments. However, at that time, only a few banks in Sri Lanka adopted JustPay technology, which facilitates retail payments. Suddenly many banks understood this need and adopted JustPay. This alarmed us to release our novel solution immediately.”

Dhanika believed that they entered the market at the right moment when things /the situation were pretty good for them. As he recalled:

¹³ Abeykoon, G. (2023, December 3). *HelaPay crosses Rs. 1 Bn digital transactions within 2 years*. DailyNews.

<https://www.dailynews.lk/2023/12/04/business/268375/helapay-crosses-rs-1-bn-digital-transactions-within-2-years/>

¹⁴ Shadforth, P. A., & Jayasooriya, S. (2022). *Pioneering digital payments in Sri Lanka's distribution chains*. IFC. <https://www.ifc.org/en/stories/2023/pioneering-digital-payments-in-sri-lanka-s-distribution-chains>

“We were not only the player in Sri Lanka when we launched HelaPay in 2021. There was intense competition. But we entered at the right moment.”

Dhanika thinks that his company’s success is rooted in its active presence on social media. Unlike many others, Dhanika doesn't just see social platforms as places for promotion. Instead, he values them as vital tools for connecting with customers on a personal level. Dhanika wanted to have customer empathy as a big part of HelaPay’s strategy. Rather than treating customers as just users of their product, the company wants to see them as real people with real concerns. This mindset guides everything the company does, from designing new features to providing support. By listening to the worries and problems of Sri Lankan consumers, the company wanted to show its dedication to making a positive impact in their lives. Founder Dhanika Perera leads by example, personally reaching out to customers through social media. This direct interaction not only helps him understand their needs better but also builds trust and loyalty. As Dhanika revealed:

“I always reach out to my users through my Facebook and other social media. I believe that most users trust my opinions, and they see me as a trustworthy source. I always listen to them, and I always understand their needs.”

According to Dhanika, this hands-on approach sets his company apart and shows its genuine care for customers. Furthermore, Bhasha Lanka uses data and feedback to continuously improve its services. By staying in tune with what customers need, the company wants to adapt and grow to meet their needs. Dhanika believed that this focus on customer satisfaction was at the core of the company’s success.

As a company, Bhasha Lanka considers that an e-commerce ecosystem can only be ensured through collaborations. HelaPay is powered by the LankaPay payment network. Initially, they encountered legal resistance from the Central Bank of Sri Lanka (CBSL) since Bhasha Lanka did not have a Licensed Financial Acquirership. As a quick response, Bhasha Lanka collaborated with a leading bank in Sri Lanka and registered as their licensed financial acquirer. The company had to work out on the initial legal resistance and gain the legal platform activated in less than two years. Furthermore, they were able to expand their payment ecosystem with many banks that adopted JustPay technology.

DAWN OF SUCCESS

In 2023, HelaPay surpassed Rs. 1 billion in total transactions. This significant achievement highlights HelaPay's immediate progress in Sri Lanka's financial technology industry, reaching this milestone within only two years of its launch in 2021.¹⁵ HelaPay was recognized at the LankaPay Technnovation Awards 2023 as the "Most Popular Digital Payment Product" in the Fintech category. As recalled by Dhanika, those achievements

¹⁵ Daily Mirror (2023). HelaPay surpasses Rs.1bn digital transactions within two years. <https://www.dailymirror.lk/print/business/HelaPay-surpasses-Rs-1bn-digital-transactions-within-two-years/215-272448>

not only underscored the platform's growing popularity but also reflected the increasing trust of users in digital payment solutions. Dhanika's quest to be the leading brand that empowers people with digital payments grows day by day, and besides, he wants to see Sri Lanka as a digitally enabled country in the near future.

CASE QUESTIONS

01. As mentioned by Dhanika, what are the key triggers that sparked the quick diffusion of HelaPay within two years from its inception? Evaluate them using the innovation diffusion theory.

02. Assess the various tactics implemented within HelaPay's strategy to compete in the fintech landscape in Sri Lanka.

BHASHA LANKA (PVT) LTD: DOMINANCE THROUGH EXPANSION

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INTRODUCTION

Arising into popularity as a single-purpose keyboard application, “Helakuru” saw breakthrough success in its initial years. Owing to this, the company was now ready to expand beyond its horizons in the post-Covid era. In this outset, Dhanika Perera, founder and CEO of Bhasha Lanka (Pvt) Ltd., realized that they were facing a critical challenge, to sustain and grow the market presence of Helakuru. Perera’s vision centered around transitioning the initial single-purpose app into a multi-purpose comprehensive software application. Launched as a Sinhala keyboard for typing, Helakuru was aiming to be transformed into a “super-app” offering digital payment solutions, social networking, and localized services. However, as competitors began exploring niche digital services and new consumer behaviors emerged, Bhasha Lanka had to innovate continuously to stay relevant. Perera noted, *“The local market is evolving rapidly. To remain a leader, we must anticipate and meet the needs of digitally empowered lives¹⁷.”* Transformation also meant charting into previously unexplored territories. A single-purpose keyboard app would have lesser exogenous compliance requirements, whereas, an innovative super-app may require further external adherence, depending on the types of services Helakuru was targeting to offer, such as digital payment solutions. The risks of such digital payment solutions were viewed in the perspective of regulatory compliance complexities it potentially carry. Social networking could rely heavily on the socio-cultural factors for its success. These new avenues of expansion were to be properly identified and analyzed before venturing into. While Perera was confident that they could weather this too, it remained to be seen if Helakuru could maintain its dominance and expand it into the entire market, by focusing on technological advancement, cultural relevance, or expanding its service portfolio.

¹⁶ <https://doi.org/10.17605/OSF.IO/SCZ69>

¹⁷ Basha Lanka Pvt LTD. (2024, April 25). <https://www.bhasha.lk/>. Retrieved from Basha: <https://www.bhasha.lk/>

BACKGROUND

Helakuru began as Dhanika Perera's response to a technological gap, namely, the lack of an efficient Sinhala keyboard for smartphones in Sri Lanka. Perera was a software engineering enthusiast from early days and tried to combine his allegiance into his mother tongue "Sinhala" and his love for software development. Fueled by the desire to offer solutions that are "localized" in nature, Helakuru piggybacked on the surge in smartphone adoption and internet penetration in Sri Lanka in the 2010s. Initially a free mobile application, Helakuru quickly gained traction due to its simplicity and user-centric design. This enabled Helakuru to be transformed into a "Freemium", from the initial free of charge application, to provide custom skins and features for paid "pro" users. Helakuru entered its stable phase in 2014/2015, and Perera started to envision a bigger picture for the company to move forward. Simply what was known and had become a household name as "Helakuru" was now also being recognized and branded alongside its company name, "Bhasha Lanka". This bundled branding allowed the company to enjoy widespread awareness among their users, just as much as the product branding, they achieved for "Helakuru". The company's mission to empower digitally connected lives was deeply rooted in Perera's vision of bridging technological divides. Becoming "the trusted super-app that is universally used by Sri Lankans for a variety of purposes" was what they were aiming for. To foster a path towards achieving this, Bhasha Lanka emphasized a culture of innovation, resilience, and user engagement. This focus propelled Helakuru and Bhasha to be brands of national prominence, yet it also presented challenges in navigating regulatory landscapes and managing competition of these uncharted territories for what was only known as a household keyboard app.

CHANGES IN THE DIGITAL LANDSCAPE

The rise of mobile-first consumers in Sri Lanka brought significant shifts in user behavior. Digital payment adoption surged as consumers grew more comfortable with online transactions, driven by increasing smartphone penetration and improved internet connectivity. This connectivity has grown to nearly 56% of the population by 2024¹⁸. Simultaneously, there was a rising demand for localized apps that catered to the unique needs of Sri Lankan users. The dominant feature of these applications was that the app was usable in Sinhala. News apps to multipurpose apps, this range of localized apps was broadening. However, a multifaceted super-app catering to multiple key needs of the users was nonexistent in the market, and certain areas were not explored due to low viability. In the realm of digital transactions, this issue was significant. Not only the lack of localized apps, even the global applications had minimum coverage in Sri Lanka. A key cause of concern for this was the regulatory & privacy barrier. Regulatory barriers posed by stringent Central Bank policies delayed the approval and wider adoption of payment platforms. However, Bhasha was able to break through to the field through "PayHere", after collaborating strategically with a licensed commercial bank in the country to circumvent the regulatory measures. This led them to have a unique position in the market irrespective of their inability to be the first mover as a localized payment gateway.

¹⁸ Digital Sri Lanka 2024 Report: <https://datareportal.com/reports/digital-2024-sri-lanka>

However, in their keyboard market, which was safe to assume as already dominated by Helakuru in the local context, market saturation added further complexity, as global giants such as Google Gboard and Microsoft SwiftKey entered the scene with robust multilingual support, intensifying competition and putting pressure on local apps to innovate. Moreover, as users became more accustomed to seamless and secure services, their expectations for diversified features and enhanced user experiences grew exponentially. This evolving landscape underscored the need for continuous adaptation and strategic foresight to maintain relevance and competitiveness.

MAINTAINING CULTURAL RELEVANCE

Acknowledging Sri Lanka's linguistic and cultural diversity, Helakuru embraced inclusiveness. Its services supported Sinhala and Tamil users, reinforcing its identity as a national brand. The app's design prioritized simplicity, appealing to both urban and rural demographics. The essence of Basha extends beyond being just a coding language; it serves as a linguistic bridge, incorporating both Tamil and Sinhala. Notably, the company takes pride in cultivating a distinctive culture that is entirely homegrown, steering clear external influences. Central to the company's ethos is the cultivation of a family-like culture, emphasizing strong bonds and a sense of love reminiscent of familial relationships. In a deliberate departure from traditional hierarchical structures, the founder rejects the notion of a "boss" culture. Instead, he adopts a participatory leadership style, encouraging collaboration and shared decision-making. Reflecting the cultural norms of Sri Lanka, where addressing individuals by their first name is uncommon, Perera, the founder, extends this practice within the organization. Employees refer to him as "*aiya*" which translates to "*brother*", reinforcing a sense of belonging and fostering a deeper connection. This approach proves productive, as it engenders a feeling of closeness among employees, ultimately contributing to heightened productivity within the organization.

The founder of Basha Lanka Pvt Ltd places a high value on the concept of freedom, extending this principle to his employees by not imposing rigid in and out times or stringent performance indicators. His motivation stems from a desire to simplify the work lives of his employees, recognizing that a less complex environment enhances creativity. Rooted in personal experience, he learned the importance of flexibility and freedom from his parents, who granted him autonomy, fostering his creativity. Rejecting the belief that pressuring employees leads to productivity, he advocates for a work environment without strict boundaries, where individuals can be themselves and communicate in their language of preference. This "You Can Be You" philosophy serves as an internal motivator, influencing employee performance positively.

Adhering to a vision of the big picture, Perera inherently rejects hierarchical cultures, emphasizing a common goal that unites everyone. Through transparent, two-way communication, he ensures that every employee is aware of the overarching vision, fostering support and collaboration. He furthermore values openness and believes in leading by example. By embodying this principle, he instills a culture of openness within the organization. This commitment has resonated with the 35 employees, who now

collectively embrace the concept of openness. Seeking input from every employee, Perera is open to reversing decisions for the greater good. An example of this humility is evident when his marketing team suggested reconsidering a decision related to Helakuru free to the public, and he willingly took their advice. It can be witnessed from the organization's journey, that in challenging times, the founder shoulders problems alone to safeguard his team's motivation, demonstrating an extra layer of openness by taking personal responsibility. This approach contributes to a workplace culture that values collaboration, transparency, and individual empowerment.

A JOURNEY OF INNOVATION AND STRATEGIC SUCCESS

'Helakuru' serves as a source of inspiration for innovation in the realm of Sinhala digital services, constructing a path unencumbered by direct competition. Although a few relatively unsuccessful players could be seen in their field of business entry, namely, the native language keyboard service, an emptiness in the market where no competitors existed in terms of their 'super-app' or the bundle of localized digital services, has created an ideal environment for its inception and growth. This absence of competition permitted Basha Lanka to employ a Blue Ocean strategy focusing on creating uncontested market space and rendering the competition irrelevant. Through achieving the long-term strategic goal of Blue Ocean Strategy, they have now managed to build a solid base together with an innovative-driven mindset, to enhance customer satisfaction.

The heart of Helakuru's story is securely based on the resilience of its brand. The brand called "Helakuru" was associated with an output defined by efficiency, reliability, and a user-centered approach, which perfectly matches the system vision of the target group consumers. The rock-solid brand identity drew in a few early adopters and led to the growth through word-of-mouth publicity of the Sinhala writing bloggers. The transformation of Helakuru from a single application into a multi-purpose platform that goes beyond the specialized keyboard digital services purpose was very important in the development strategy. In just five years, Helakuru expanded to provide a wide breadth of digital services for its users to cater to the changing demands of those users.

The most important cornerstone in Helakuru's strategy was diversification to different digital services areas. Digital services appear to be the main diversification operation with specific concentrations including digital information services, innovative payment methods, and enhanced digital keyboard services among others. As a newcomer in the market, Helakuru presents a refreshing approach that switches from using already available card networks to originating its own payment method for clients. On the one hand, this shift eventually brought down transaction costs by cutting out the middleman, making the financial system stronger and enhancing the customer's experience. On the other hand, "Sithula", the preliminary stage social networking platform developed by Helakuru, is indicative of its comprehension of the need to engage with and forge a heartfelt relationship with its users. This is critical in driving the community, fostering creativity, and contributing to the market while still being user centric.

From the start, Helakuru differentiated itself by offering a unique value proposition to its customers. At the heart of Helakuru's strategy lies their differentiation that is aimed at the broader mass market through brand identity and innovation. This has ensured that their competitive advantage is based on differentiation, while their competitive scope aimed for the total market. Helakuru positioned itself as a reliable, efficient, and user-centered brand, catering specifically to the generic needs of the mass market of Sinhala-speaking users. This strong brand identity attracted early adopters and facilitated word-of-mouth publicity, setting 'Helakuru' apart from competitors. Helakuru's transformation into a multi-purpose platform further differentiated it from competitors by offering a diverse range of digital services beyond specialized keyboard services. This differentiation allowed Helakuru to capture market share and build brand loyalty among Sinhala-speaking users furthermore. Helakuru continuously innovated its offerings to stay ahead of the competition and meet the evolving needs of its customers to ensure that they stay true to their competitive advantage as they grew. For example, the development of "Sithula", a social networking platform, showcased Helakuru's ability to diversify and offer unique experiences to users, by combining social networking with language-specific features. Similarly, their "Pay Here" platform localized electronic payments to the mass market, revolutionizing the digital services industry in the country, attempting a nation's first in the industry, as no competitor before them had adopted a full market coverage strategy in any financial technology service offered. Instead, Helakuru was publicly pushing ahead with their strategy to be a household name even in fintech applications, as Dhanika has been quite openly vocal about their dream to ensure universal adoption in the country, penetrating even the rural mini-scale level entrepreneurs and public.

THE ROAD AHEAD

Helakuru's journey exemplifies resilience and innovation. As Bhasha Lanka looked to the future, the central question remained: how could Helakuru sustain its competitive advantage while adapting to evolving consumer needs? Perera believed that doubling down on user-centric design and expanding its service ecosystem were key. "We're not just building an app," he said. "We're creating a digital infrastructure for Sri Lanka." Over the years, Helakuru and their parent, Basha Lanka, have turned a few cornerstones in the nation, emerging as a disruptive start-up that sets the precedent for the respective industries. Through the quest of Helakuru, the dominance of a strategic vision, innovation, and mass market approach for the course of a robust competitive environment is reflected. Through taking advantage of branding, strategic evolution, diversification, and innovative initiatives, Helakuru has changed from a small town to a powerful brand name and has helped to create a path for sustainable growth and success.

CASE QUESTIONS

01. Analyze the key elements of the workplace culture at Basha Lanka Pvt Ltd. How does the founder's emphasis on openness and the "You Can Be You" philosophy contribute to the overall culture?
02. Explore the challenges faced by Bhasha Lanka Pvt Ltd, particularly in the case of the "PAY HERE" initiative. How did the founder demonstrate adaptability and resilience in overcoming obstacles, specifically with regulatory restrictions from the Central Bank of Sri Lanka (CBSL)?
03. Identify the strategy employed by Basha Lanka Pvt Ltd to overcome competition. Discuss the salient features of the particular strategy.
04. Analyze the strategic pathway to competitive advantage Bhasha Lanka Pvt Ltd has undertaken, with reference to Porter's Generic Strategies framework,

DRIVING INNOVATION AND SUSTAINABILITY: INFOMATE SUCCESS STORY

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This case study provides material for class discussion and analysis of Infomate (Pvt) Limited, a company navigating the dynamic Business Process Management (BPM) industry²⁰. It outlines Infomate's growth, strategic initiatives, and challenges, with insights into how the company leverages innovation, sustainability, and strategic partnerships to sustain its competitive edge.

THE BACKGROUND AND EVOLUTION OF INFOMATE (PVT) LTD

Infomate (Pvt) Ltd, a subsidiary of the John Keells Group, began in 2005 as a shared services provider catering exclusively to the parent company's needs. Marking a milestone as Sri Lanka's first shared services center, Infomate expanded its operations to become one of the top six BPM exporters in the country, employing over 400 skilled professionals.

Infomate's revenue initially came from internal transactions within the John Keells Group. Today, 80% of its revenue is generated through third-party clients, showcasing its successful diversification. Its service portfolio has grown from finance and accounting to include image annotation, HR outsourcing, data entry, payroll, shipping documentation, helpdesk services, and lead generation.

Infomate's commitment to innovation is evident in its adoption of technologies such as robotic process automation (RPA), artificial intelligence (AI), and data analytics. It also pioneers' initiatives in environmental, social, and governance (ESG) practices, including establishing Sri Lanka's first rural BPM center in Mahawilachchiya. These initiatives underscore Infomate's focus on fostering inclusive growth and addressing societal needs.

¹⁹ <https://doi.org/10.17605/OSF.IO/9AEK3>

²⁰ In some contexts, the term "BPO" (Business Process Outsourcing) is used interchangeably with "BPM"

INDUSTRY CONTEXT AND SRI LANKA'S BPM LANDSCAPE

Sri Lanka's BPM industry emerged in the early 2000s, leveraging a highly educated workforce and competitive labor costs. The sector has grown to encompass over 300 IT businesses, employing more than 80,000 professionals, with services spanning finance, accounting, engineering, and IT support. However, the industry faces challenges, including a decline in global outsourcing demand and a migration trend among skilled workers.

Despite these challenges, Sri Lanka's IT-BPM sector remains attractive due to its cost-effectiveness, strong English proficiency, and cultural adaptability. Government initiatives, such as tax incentives and technology parks, further support industry growth, positioning Sri Lanka as a competitive outsourcing destination.

Due to its workforce's high level of education and expertise, Sri Lanka is a desirable location for outsourcing IT projects. The emphasis on Science, Technology, Engineering, and Mathematics (STEM) in the nation's educational system produces individuals skilled in various IT-related fields. IT specialists from Sri Lanka are well-known for their proficiency in data analytics, application administration, software development, and infrastructure support. Countries can gain specialised IT talent and tap into a large talent pool by partnering with Sri Lankan Business Process Outsourcing (BPO) companies.

Another significant element that encourages organisations to investigate outsourcing is cost-effectiveness. Sri Lankan BPO providers give clients a competitive edge by offering affordable solutions without sacrificing quality. Sri Lanka has cheaper labour costs than other outsourcing locations, which allows businesses to cut operating costs drastically. Furthermore, due to favourable exchange rates and reasonable pricing structures, Sri Lankan BPO services are economically appealing to nations looking to maximise their IT budgets.

Partnerships for outsourcing that are successful thrive on good communication and cultural fit. In this regard, Sri Lanka enjoys a distinct advantage. Due to the nation's rich artistic legacy and lengthy history of international engagement, its workforce is diversified and flexible. Professionals from Sri Lanka are fluent in English, which reduces language barriers and allows for smooth communication. Professionals from Sri Lanka are also renowned for their flexible work styles, collaborative work cultures, and readiness to adjust to their clients' time zones and business procedures.

Moreover, due to Sri Lanka's significant investments in building a solid IT infrastructure, BPO businesses can provide top-notch services. The nation offers dependable connectivity with fibre-optic networks, cutting-edge telecommunications facilities, and top-notch data centres. This infrastructure guarantees dependable and effective IT solutions for customers worldwide by facilitating secure communication, uninterrupted operations, and seamless data transmission.

Having seen its potential, the government of Sri Lanka aggressively encourages the

expansion of the IT sector. The development of technology parks specifically for this purpose, tax breaks, and pro-business legislation have made the conditions conducive for the growth of BPO firms. Sri Lanka's standing as a location for outsourcing is further reinforced by the government's dedication to advancing IT education, R&D, and innovation.

Companies which are keen to succeed over the long term must be highly flexible in the ever-changing landscape of the modern business environment. This is where "business agility" becomes crucial. Outsourcing non-core operations is one of the most important ways to achieve true agility. By collaborating with skilled experts who can handle regular duties, companies may focus all their energy on refining their primary skills. A strategic alignment promotes increased agility and reactivity, guaranteeing preparedness to negotiate the risks arising from the market dynamics successfully.

In today's fast-paced economy, businesses constantly seek ways to enhance productivity and maintain competitiveness. On top of this, business process outsourcing, or BPO, is a well-liked remedy that has grown in popularity over time. Outsourcing non-core functions like account management and procurement allows firms to reallocate their attention, time, and resources to more critical projects. This implies that companies can increase productivity, boost income, and succeed more fully. Additionally, with the introduction of BPaaS (business process as a service), businesses may keep ahead of the competition by utilising cutting-edge digital solutions. Undoubtedly, BPO is transforming modern business as more and more companies use this strategy.

The IT services industry in which Infomate operates, typically presents moderate barriers to entry due to factors such as high initial capital requirements, the need for specialised skills and expertise, and economies of scale. However, Infomate benefits under the umbrella of John Keells Holdings, providing it with access to resources, brand reputation, and established client relationships, which can serve as significant barriers to potential new entrants. Nonetheless, the threat of new entrants remains plausible, especially considering the rapid pace of technological advancements and the potential for disruptive business models.

Suppliers in the IT services sector include hardware manufacturers, software developers, and other service providers. The bargaining power of suppliers can vary depending on factors such as the availability of alternative suppliers, the uniqueness of their products or services, and their importance to Infomate's operations. While Infomate may possess some bargaining power due to its ability to switch between suppliers, highly specialised or proprietary technologies could increase suppliers' leverage. However, Infomate's affiliation with John Keells Holdings may give it negotiating advantages and access to a broader supplier network.

Clients seeking IT services typically wield significant bargaining power due to the abundance of service providers and the relatively low switching costs. Infomate must constantly strive to deliver value-added services and maintain competitive pricing to

retain its client base. Moreover, clients may demand customised solutions, putting further pressure on Infomate to innovate and differentiate its offerings. However, Infomate can leverage its reputation, expertise, and relationships within John Keells Holdings to enhance its value proposition and mitigate the bargaining power of buyers.

The threat of substitutes in the IT services industry can be moderate to high, driven by alternative service providers, in-house IT departments within client organisations, and emerging technologies. Infomate must continuously monitor market trends and technological advancements to identify potential substitutes and adapt its offerings accordingly. Differentiating itself through specialised expertise, innovative solutions, and superior customer service can help mitigate the threat of substitutes and maintain Infomate's competitive position.

Competitive rivalry within the IT services industry is high, characterised by low product differentiation, price competition, and the constant need for innovation. Infomate faces competition from other established IT service providers, emerging startups, and global players entering the Sri Lankan market. To thrive in this competitive environment, Infomate must focus on enhancing its value proposition, nurturing client relationships, and fostering a culture of innovation and excellence.

By applying Porter's Five Forces framework, Infomate has gained valuable insights into the competitive dynamics shaping Infomate (Pvt) Ltd's industry environment. Despite facing challenges such as the threat of new entrants, bargaining power of both suppliers and buyers, threat of substitutes, and intense competitive rivalry, Infomate can leverage its affiliation with John Keells Holdings, its expertise, and its commitment to innovation to sustain its competitive edge and achieve long-term success in the IT services industry.

COMPETITIVE POSITIONING AND CHALLENGES

Infomate benefits from its affiliation with the John Keells Group, which provides resources, brand reputation, and market access. However, the company faces significant challenges, such as limited awareness of Sri Lanka's BPO potential in international markets. Further, migration trends among skilled workers necessitate robust recruitment and retention strategies. Moreover, competing in a cost-sensitive market while maintaining service quality remain challenges.

To address these challenges, Infomate leverages strategic partnerships invests in workforce development and enhances its digital marketing efforts to strengthen its international presence.

STRATEGIC INNOVATIONS AT INFOMATE

Infomate integrates cutting-edge technologies such as RPA, AI, and machine learning to automate routine tasks, enhance decision-making, and drive innovation. During the COVID-19 pandemic, it successfully transitioned to remote work, adopting cloud computing solutions for operational resilience and global expansion.

Secondly, in partnership with the John Keells Foundation and FARO, Infomate established rural BPM centres in Mahawilachchiya, Seenigama, and Jaffna. These centers provide employment opportunities in underdeveloped areas, promote digital literacy, and empower rural youth. The initiatives align with Infomate's ESG goals, addressing social inclusion and environmental sustainability through energy-efficient operations and waste reduction measures. Further, Infomate prioritizes eco-friendly practices, including sustainable packaging, energy-efficient technologies, and waste management programs. It also collaborates with environmentally conscious suppliers and promotes digitalization to minimize its environmental impact.

GOVERNANCE AND ESG INTEGRATION

Infomate adheres to high governance standards, ensuring transparency, accountability, and ethical conduct. Its ESG initiatives reflect a commitment to minimizing energy use and carbon emissions. Infomate's rural BPO centres prioritise environmental sustainability through eco-friendly practices and resource conservation. Despite the challenges posed by limited infrastructure and access to renewable energy in rural areas, Infomate has implemented several initiatives to minimise its environmental footprint. These include integrating energy-efficient technologies and equipment to reduce electricity consumption, implementing waste management programs to promote recycling and minimise waste generation, adopting sustainable transportation methods to reduce carbon emissions and mitigate environmental impact, promoting digitalisation to minimise paper usage, and instituting recycling initiatives to manage waste materials responsibly. Cultivating partnerships with environmentally conscious suppliers and vendors ensures sustainability is embedded throughout the supply chain.

Social Empowerment offering vocational training and fostering diversity and inclusion is another ESG integration. Infomate's rural BPO projects have profoundly impacted social empowerment, particularly in communities with limited access to employment opportunities and educational resources. Infomate empowers individuals to unleash their potential and contribute to their communities' socio-economic development by providing training and employment to talented young people in rural areas. Key initiatives include the establishment of computer classes and vocational training programs to equip youth with the skills necessary for the BPO sector jobs, recruitment and training of local candidates from rural villages, offering them a pathway to sustainable livelihoods and economic independence, collaboration with regional organisations and community leaders to address socio-economic challenges and promote inclusive growth in rural communities.

Lastly, Governance Excellence by establishing robust compliance mechanisms and stakeholder engagement practices is another initiative. Infomate's governance practices reflect its commitment to transparency, accountability, and ethical conduct. As a responsible corporate citizen, Infomate upholds the highest corporate governance standards to safeguard its stakeholders' interests and promote long-term sustainability. Key initiatives include the establishment of robust internal control mechanisms and compliance procedures to ensure adherence to legal and regulatory requirements,

engagement with local authorities, stakeholders, and community members to foster trust and collaboration in the implementation of rural BPO projects, regular monitoring, and evaluation of project outcomes to assess their impact on the socio-economic well-being of rural communities and identify areas for improvement.

ONGOING CHALLENGES AT INFOMATE

The rapid pace of technological advancement presents both opportunities and challenges for Infomate. Infomate must continuously update its technological infrastructure and skillsets to remain competitive and deliver superior client services. Embracing emerging IT services and innovative tools enables Infomate to enhance operational efficiency, streamline processes, and provide value-added solutions. Through robust training programs and strategic partnerships with technology providers, Infomate empowers its workforce to leverage cutting-edge technologies effectively, ensuring seamless service delivery and client satisfaction.

Despite its proven track record and expertise, Infomate grapples with limited visibility on the global stage. In an increasingly interconnected world, awareness of BPO services in Sri Lanka must be improved among international markets. Infomate recognises the imperative of expanding its reach beyond domestic borders to tap into lucrative opportunities abroad. Strategic initiatives, such as engaging in high-profile meetings with global clients and fostering partnerships with established industry players, serve as catalysts for bolstering Infomate's international presence by showcasing its capabilities and demonstrating the value proposition of Sri Lanka as a BPO destination. In this way, Infomate endeavours to position itself as a preferred outsourcing partner internationally.

The talent pool challenge looms large over Infomate, exacerbated by the prevalent migration trend in Sri Lanka. As skilled professionals seek opportunities abroad, Infomate needs more qualified personnel to meet the demands of its expanding operations. To address this challenge, Infomate adopts a multifaceted approach, focusing on both raising awareness about the BPO industry and implementing robust talent acquisition strategies. By collaborating with educational institutions, industry bodies, and government agencies, Infomate endeavours to nurture a pipeline of skilled professionals to drive innovation and excellence within the organisation. Additionally, employee retention efforts, including competitive compensation packages, career development opportunities, and a conducive work environment, are integral to fostering loyalty and retaining top talent within the organisation.

CONCLUSION AND THE WAY FORWARD

Infomate's journey illustrates the potential of innovation, sustainability, and strategic foresight in navigating the challenges of the BPM industry. By embracing cutting-edge technologies, fostering inclusive growth, and committing to ESG principles, Infomate is prepared for sustained success. However, addressing global visibility and talent retention remains critical as the company aspires to double its revenue and client base by 2025. This case invites discussion on the strategic role of technology, ESG practices, and governance in driving business growth and resilience in an evolving global landscape.

CASE QUESTIONS

01. What drove Infomate to initiate rural BPO centres, and how did partnerships contribute to success?
02. What challenges do companies face in promoting sustainability and social inclusion in rural areas?
03. How do Infomate's environmental sustainability initiatives align with its business objectives and ESG principles?
04. Discuss the significance of vocational training and employment opportunities in rural communities.
05. Evaluate Infomate's governance practices to ensure transparency and accountability.

LEARNINGS OF CULTURAL RENEWAL FOR QUALITY AND STRATEGIC SHUTDOWN: A CASE OF A MULTINATIONAL PHARMACEUTICAL PLANT IN SRI LANKA

Devadas, U.M., Gunasekara V.M, Edward R. and Ekanayake H.L²¹ wrote this case study solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names, including the company name, and other identifying information to protect confidentiality.

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THE MOVE OF THE MULTINATIONAL PHARMACEUTICAL COMPANY

This leading multinational company, here it is named as *HSY Lanka Ltd.* in the consumer healthcare sector was headquartered in the UK and was ranked as one of the largest in its field worldwide, with a featured portfolio of well-known brands built on a foundation of science, innovation, and deep consumer insights trusted by millions across the globe.

The company's heritage stretches back to the early 18th century, originating with a pharmacy in the UK. Over the centuries, it has grown through a series of mergers, acquisitions, and strategic expansions. Most recently, it became an independent entity following a demerger from a global pharmaceutical firm, bringing together the consumer healthcare divisions of three major industry players under one firm.

With a dedicated focus on consumer health, HSY Lanka Ltd. has developed its own management structure, capital strategy, and operational model. It maintains a strong commitment to research and development, particularly in areas like over-the-counter treatments and wellness solutions. Sustainability and global access to healthcare are also key pillars of its strategy, reinforcing its position as an innovator and responsible leader in the healthcare industry. The company mainly offers products in oral health, nutritional supplements, respiratory, pain relief, and digestive health with some other products.

PRESENCE IN SRI LANKA

The business presence of the HSY Lanka Ltd. in Sri Lanka had been established much earlier, which began its operations in the 1930s through regional agents based in India, who in turn worked with a prominent local trading company. In 1951, direct operations commenced in Sri Lanka with another prominent local business, opening an office in a respectable suburb of Colombo and branding it to focus exclusively on the consumer healthcare sector.

²¹ <https://doi.org/10.17605/OSF.IO/MJ5R8>

By the end of 1950s, HSY Lanka Ltd constructed a two-story manufacturing facility, and it began production, starting with the packaging of nutritional and glucose-based products. In the 1960s, the parent company later acquired another pharmaceutical business operated locally, prompting a name change in the Sri Lankan operation. A second name change, and rebranding took place in the 1970s. In the 1990s, with another merger, a third name change also took off, reflecting the evolution of the global entity in Sri Lanka.

In 2000, a major merger created a new global healthcare group, which expanded its local product portfolio also to include well-known over-the-counter medications and became primarily a consumer health site. It resulted in the local operations to include the distribution of essential medicines, vaccines, and a range of consumer health products. Key export markets included the Maldives, Dubai, Bangladesh, among others. With these evolutions, HSY Lanka Ltd earned a strong reputation for delivering high-quality healthcare solutions tailored to both local and global needs. It frequently collaborated with healthcare professionals and government bodies to improve public health outcomes in Sri Lanka.

In recent times in the 2020s, following the global restructuring that resulted in the demerging of the pharmaceutical and consumer healthcare divisions, the Sri Lankan business also underwent another re-branding to reflect its exclusive focus on consumer health under the new company identity that is currently being continued.

LOCAL STRENGTH

The main competitors in the global consumer healthcare space include major players across various personal care, wellness, and medical segments. In Sri Lanka, HSY Lanka Ltd evolved through decades of transformation and received several prestigious accolades and awards that other local competitors could not receive.

HSY Lanka Ltd today boasts a capable workforce of over 200 full-time employees with a 100% literacy rate and operations in five markets. Its robust quality assurance framework is supported by certifications such as SLS GMP, ISO 9001:2015, and the presence of certified internal and lead auditors. With over 95% of its executive team holding bachelor's degrees and over 60% holding master's qualifications, the company has demonstrated strong strategic focus and commitment to continuous improvement, supported by clearly defined key performance indicators (KPIs).

AN EXEMPLARY 'QUALITY' MOVEMENT OF HSY LANKA LTD

During 2010 and 2016, HSY Lanka Ltd had to comply with a global requirement to achieve operational excellence. This initiative mainly focused on achieving operation efficiency and waste reduction. A plant of the HSY Lanka Ltd, here it is named as *DAK plant*, that mainly produced nutritional drinks took notable initiatives to achieve the targets with many quality tools such as 5Y Analysis, Fishbone Analysis, Kaizen, Gemba, Six Sigma, Lean, and 5S. All these initiatives were to enhance the efficiency of every aspect of the

organization, including people and machinery. Less efficiency in the processes and the considerably high visitors' waiting time at the guard room due to the issues in properly communicating site procedures and safety aspects, along with time taken for these were the main issues. Mismanagement of training and visitors' room spaces, as well as unclear walking paths within the site, make the issue more complicated. The ground-level tool—the "5S" initiative, was a solution for these issues. With a successful story of 5S implementation in DAK plant, HSY Lanka Ltd applied for the AKIMOTO 5S Awards. Later, this plant won the 1st and 2nd places in waste reduction and efficiency improvements at the global level within the group. As a result, efficiency and productivity increased with a considerable reduction in waste.

The current Managing Director (MD) of HSY Lanka Ltd, who was then the Head of Operations at the DAK plant, shared the journey of implementing the 5S system and managing the subsequent closure of their award-winning factory due to the change of the company's strategic priorities.

CULTURAL SHIFT FOR THE 'OPERATIONAL EXCELLENCE'.

The MD Mr. Shantha said *"...for me, 5S is very technical as well as very cultural. Thus, implementing 5S was not easy"*. MD continued *"for implementing 5S, first we needed to know what 5S was, what were its expectations, and what business benefits were plausible"*. Though the 5S methodology revolves around five key principles: 'Sort', 'Set in order', 'Shine', 'Standardize', and 'Sustain', it is not merely about maintaining a clean and orderly workplace. However, according to the MD, a significant concern of 5S, which they had focused on, is connected to the business deliverables. Hence, as part of this initiative, they participated in a competition involving around 200 companies, aiming to benchmark their progress against industry standards. As the competitions were continuing along with timelines, there weren't any excuses. Japanese evaluators evaluated this competition, which was conducted among more than 100 local companies. Usually, when an organization is implementing 5S, they hire a consultant who can impart knowledge about the concepts and its implementation. Other than that, the MD said that they had sent their teams for training and learning programs on 5S, Kaizen and Kanban, to learn the concept and its applicability. However, the MD points out that the biggest challenge hadn't been to obtain knowledge of 5S but to align the team on how to embed that quality culture into the system, especially among blue-collar staff. Although they had perfect knowledge of 5S, MD repeatedly stressed the fact that 'adhering to 5S culture' had been the most difficult. The MD said, *"...because you can be very good or effective today, but the next day, you can be nothing..."*. Thus, implementing and sustaining the 5S culture was more difficult than it seemed. Initially, the audits showed only 30-40 marks in 5s implementation success. This is mainly due to significant challenges, particularly in driving cultural change. Resistance to change and the lack of motivation to implement the new system among certain teams became apparent like any other types of resistance associated with change. According to the MD, internally, this meant aligning a workforce of 150 employees to embrace the 5S culture— a process that took 2-3 years to embed fully. Among other options, they reached leading solution which showed the importance of having regular internal competitions,

focusing on criteria such as the use of 5S tools, implementation success, and overall impact on company goals. Kaizen and Kanban had also been in place along with 5S. Winners were celebrated with simple yet effective rewards, such as refreshments/cakes, to recognize their achievements.

‘THE FEAR OF BEING THE PREY TO THE TIGER’—THE GAME CHANGER!

However, it was observed that teams consistently finished last in the competition, thus showed no motivation to improve and it affected the overall success of the quality improvement process. To address this, a novel idea was introduced by a team member. The idea was that the department that performed the worst in internal audits should hang a green ball at the department or team entrance. This visible marker of underperformance created a shift in behavior, as no team wanted the stigma of being publicly identified as the worst. The MD exemplifies this situation as “...if a tiger is chasing a gang of people, what you have to do is not run faster than the tiger but run faster than the last one in the gang...”. Hence, by taking that concept into consideration, they have decided to initiate this new idea of revealing the ‘worst performance’. The reason was that no team or department wanted to be exposed as the worst team, hence, all teams and departments strived to uplift their level of achievements to surpass their next competing performer. This strategy significantly improved the expected performance of the mission, making the 5S system an embedded habit across the workforce. During the first two years of this initiation, the plant secured the 3rd place in the overall competition, but with the implementation of this new idea, over time, the company achieved remarkable results. Accordingly, they secured the first place among 60-70 factories in the competition and consistently exceeded global efficiency benchmarks.

OUTCOMES OF THE CULTURAL SHIFT

As per the MD’s perspective, the implementation of the 5S methodology resulted in significant outcomes and cultural impacts for the company.

- *Improved Efficiency:* DAK plant experienced measurable improvements in productivity, with streamlined workflows reducing time wastage.
- *Enhanced Safety and Hygiene:* Cleaner and more organized workspaces that reduced the risk of accidents and improved compliance with quality and safety standards.
- *Cultural Transformation:* The implementation of 5S instilled a culture of discipline, teamwork, and continuous improvement. Employees developed a stronger sense of pride in their workplace and contributed actively to maintaining standards.
- *Recognition and Benchmarking:* The DAK plant became a model for operational excellence within the group’s global network. The success of 5S at the plant set a benchmark for other facilities in the region.

In conclusion, the MD highlighted that the implementation of 5S at DAK plant in Sri Lanka was more than a process improvement. It also marked a significant cultural shift. By integrating 5S principles into daily operations, the plant not only enhanced efficiency but also cultivated a workplace culture that was centred on discipline, ownership, and innovation. This underlines the importance of leadership commitment, employee

engagement, and sustained efforts in driving cultural and operational transformation. The MD further explained that traditional systems like 5S, Kaizen, and Kanban, once the backbone of efficiency and quality control, were no longer in use. The MD mentioned, *"Automation has transformed the way we operate. These quality measures are now embedded within our machines themselves. These no longer require manual implementation because technology ensures accuracy and efficiency on its own, but what instilled till is the quality culture we developed that has made us more disciplined working with new technology"*.

"NAVIGATING CHANGE" – STRATEGIC SHUTDOWN OF THE DAK PLANT

In 2018, HSY Lanka Ltd. made a strategic decision to switch from one of its strategic markets to align with its mother company's global strategy. Hence, the DAK plant that had a great 'quality' story, was decided to be sold out as a part of this global restructuring efforts to optimize operations, enhance efficiency, and focus on core strategic priorities. As the first step, management was given two options. The first option was to inform their employees in advance about the shutdown, or the second option was to inform them about the mission in the last moment. The initial decision was not to inform employees about the shutdown, but the MD chose the first option. Hence, the MD made the difficult decision to inform the workforce about the closure of the plant a year in advance. Transparency and trust were prioritized throughout the process, as the factory had operated for over two decades and cultivated a strong sense of loyalty and a bond between the company management and the employees in the plant.

The global team visited the factory to announce the closure, and they anticipated protests and disruptions. This team had bad experiences in other countries, such as sabotage, disruptions and conflicts. Due to then prevailing economic crisis in Sri Lanka, they expected the same or more. Management even informed the police in advance and increased security. However, none of those kinds of protests or disruptions happened. Instead, nobody spoke. Everybody remained silent. The global team gave employees two options. The first option was to work with them directly, and the second one was to work with the local team. Then, only the union leader stood and said, "We trust our local management, and we would like to work with the local team". That was how they expressed confidence in the management and guaranteed cooperation. Usually, in a closure, the employees won't trust management and will not be working with them. But here, due to the MD's leadership, management teams earned trust, effective communication and long-term integrity, and employees agreed to work with the local team till the end.

The local management implemented several measures to ensure a smooth transition. Employees were offered good retirement packages, and career development opportunities were provided, including training programs for alternative professions and technical courses such as three-wheel repairing, AC machine repairing, boiler technician, forklift operating, mobile repairing, beauticians, hairdressers, etc. Moreover, financial management workshops were carried out for the employees and their spouses. As a bulk

amount/large sum has been repaid at once for employee layoffs, this workshop had to manage such expenditures effectively. Communication with the workforce remained open, and negotiations were handled fairly, reinforcing the trust that had been built over the years.

Even during the final days of operation, employees maintained high efficiency, effectiveness and professionalism, leaving the factory in perfect condition for handover. Even in the last few days, the productivity in the factory has maintained the best level. The management's approach, grounded in trust and transparency, ensured the closure was executed without conflict, setting a benchmark for handling such transitions in unionized environments. The mother company representatives were also surprised by the unexpected positive reaction of the employees in the DAK plant. Many reasons backed this successful handling of closure. A hidden bargaining process was not included in the communication. Instead, the management tried to give their best to the employees. Direct and open communication was retained along the way. The best compensation was given to employees because of their behavior and excellent performance till the end of the process of the strategic shutdown.

AFTERMATH OF STRATEGIC SHUTDOWN

As per the MD's perspective, this highlights the importance of cultural transformation in achieving operational excellence and demonstrates how transparent communication and trust can enable organizations to navigate challenging situations with dignity and mutual respect.

In conclusion, the MD stated that the strategic shutdown of the DAK plant in Sri Lanka exemplifies the complexities of navigating change in a competitive and evolving global business environment. While the decision was driven by broader corporate objectives, the company's emphasis on employee welfare, stakeholder engagement, and business continuity highlights its commitment to responsible change management. Hence, this emphasized the importance of balancing strategic priorities with the needs of employees in implementing significant organizational transformations. Further, the MD spoke with pride, reflecting on the relationships built over the years. *"Even now..., the people who once worked at this factory are still in touch with us. Whenever they do, they ponder about the happy times they had here, the friendships, the challenges, and the sense of belonging...."* He continued, *"The bond between the people and the management remains strong. The trust we built over the years has not faded. It is a testament to the way we handled the closure process with respect, transparency, and care..."* Hence, there was no hostility, no resentment, only mutual understanding and gratitude. It was clear that the transition had been managed with integrity, leaving behind not just memories but a lasting sense of goodwill.

CASE QUESTIONS

01. How did the DAK plant of the HSY Lanka Ltd. implement the Total Quality Management (TQM) Tools, and what challenges did they encounter during their adoption?
02. How do you assess the strategies that the DAK plant used to put the TQM system into the company's culture, and how did they sustain it over time?
03. What type of organizational change occurred at the DAK plant, and how did leadership manage the transition effectively?
04. How did the company balance business restructuring with employee well-being, and what role did transparent communication play in managing when there is a closure of the DAK plant?
05. What were the main outcomes of the two main change initiatives of TQM implementation and the strategic shutdown, and how did they impact both employees and the organization?

TRANSITIONING FROM A HARDCORE TECHNO PRODUCT BRAND INTO EMOTIONAL EQUITY: A CASE STUDY ON KELANI CABLES BRAND

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INTRODUCTION

Kelani Cables PLC, a prominent electrical cable manufacturer in Sri Lanka, has undergone significant transformation since its inception in 1969. Initially focusing on producing high-quality, technical cables, the company faced the challenge of shifting its brand identity from a purely functional product to one that resonates emotionally with its customers. This case study explores Kelani Cables' journey and how the company evolved its brand messaging, focusing on safety, reliability, and community engagement.

FROM HUMBLE BEGINNINGS TO INDUSTRY LEADERSHIP

The story of Kelani Cables is one of resilient, innovative, and unwavering commitment to quality. Founded in 1969 by Mr. P. A. P. A. B. Wijegunawardhane and Mrs. C. Wijegunawardhane, during Sri Lanka's controlled economy era, Kelani Cables emerged as a beacon of excellence in the wire drawing industry. Kelani Cables PLC is a company that draws its inspiration and essence from the historical significance of the city of Kelaniya. Rooted in the profound traditions and cultural heritage of Sri Lanka, with a particular emphasis on the cultural ethos of Kelaniya town, Kelani Cables has emerged as a corporate entity that deeply cherishes and upholds these values (Kelani Cables PLC, 2024).

From humble beginnings with 12 workers operating a single extruder in Kiribathgoda YMBA, Kelani Cables quickly expanded its operations, setting up a state-of-the-art factory in Kelaniya Wewalduwa premises. The company's dedication to meeting evolving customer needs led to the production of high-quality electric cables, conductors, and enameled winding wires, all conforming to rigorous national and international standards (Kelani Cables PLC, 2024).

Kelani's journey towards excellence saw significant milestones, including obtaining Sri Lanka Standards (SLS) certification for its products in 1981 and SLS 750 certification for Polyvinyl Chloride (PVC) cables and all aluminium conductors. In addition, Kelani Cables was awarded SLS 1143 and SLS 412 product certification. The cables are subject to

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intensive testing according to International Standards (IS) such as British Standards (BS), International Electrotechnical Commission (IEC), Japanese Industrial Standards (JIS), IS and SLS standards before releasing to the market, and Kelani has a fully equipped laboratory to support this requirement.

Under the visionary leadership of Mr. Hemantha Perera and later Mr. Mahinda Swarnapala, Kelani Cables embraced revolutionary management systems like the 5S Kaizen, propelling the company to unprecedented growth and success. Its dedication to quality and customer satisfaction earned Kelani Cables a place among Sri Lanka's most beloved brands, topping the building material category and capturing the hearts of consumers across the nation.

In 1995, the company became a subsidiary of the Australian Multinational Pacific Dunlop Cables Group in Australia. As part of the comprehensive expansion strategy, training on advanced technology was given in their manufacturing plants in other countries. In the late 1990s, the company discontinued manufacturing electrical accessories and relocated manufacturing facilities for PVC cables for the domestic market. In 1999, when Pacific Dunlop divested its cable operations, ACL Cables Limited acquired a major stake in the company.

Following the acquisition of Kelani Cables Limited (KCL) by ACL Cables PLC (ACL) in 1999, a pivotal transformation unfolded in Sri Lanka's cable manufacturing industry. ACL, renowned for its technological advancements and market pioneering initiatives, took the reins of KCL, solidifying its position as the leading cable manufacturer in the country. With ACL's expertise and resources, KCL underwent a revitalization process aimed at aligning its operations with ACL's proven methodologies and market strategies (Annual Report of Kelani Cables PLC, 2022).

Despite facing challenges and changes in ownership over the years, Kelani Cables Limited remained steadfast in its commitment to delivering unparalleled quality and reliability. The brand's reputation for excellence stands as a testament to its enduring legacy in the industry.

CREATING POWERFUL BRAND EQUITY FOR A HIGH-TECH PRODUCT

Kelani Cables Limited initially established itself by prioritizing technical excellence and quality assurance as the foundation of its operations. As a manufacturer of industrial products like cables, which are often considered a "once-in-a-lifetime" purchase, the company recognized the importance of ensuring that its products met the highest standards of quality and durability.

In the Sri Lankan cable market, which includes both B2B and B2C customer segments, branding played a critical role. The decision to purchase cables involved complex factors, influenced by the varying needs of business customers and individual/household consumers. For businesses, the focus was on technical specifications, while for consumers, brand image, safety, and price were significant factors.

Research into the market revealed several key brand values that influenced customer decisions in the cable industry: quality, durability, safety, raw materials, brand image, and price. Among these, Kelani Cables chose to emphasize quality as the most important value, understanding that it was the primary concern for both industrial buyers and individual/household customers. This focus on quality helped align the company's product strategy with the broader expectations of its customer base, reinforcing its position in the high-tech industrial sector.

INTEGRATING QUALITY THROUGHOUT THE VALUE CHAIN

Kelani Cables has made technical excellence and quality assurance fundamental to its operations. The company ensures that every product within its value chain adheres to stringent quality standards, meeting the high expectations of both business customers and individual consumers. By focusing on quality, Kelani Cables has reinforced its commitment to a product-based strategy throughout its operations.

From the beginning, Kelani Cables focused on addressing the evolving needs of its customers, extending this commitment to its inbound logistics. The company ensured that premium raw materials met their rigorous quality standards. Its operations management emphasized thorough production processes, including extensive testing conducted in a fully equipped laboratory, and adherence to both national and international standards such as British Standards (BS), International Electrotechnical Commission (IEC), Japanese Industrial Standards (JIS), Near Field Communication (NFC), Australian/New Zealand Standards (AS/NZS), Bangladesh Standards (BDS), Sri Lanka Standards Institution (SLSI) etc (Kelani Cables PLC, 2024).

At the manufacturing level, Kelani Cables maintains the highest standards of quality assurance. All products undergo rigorous testing based on international standards before they reach the market. The integration of advanced technologies and state-of-the-art equipment ensures the precision and consistency of the manufacturing process. Additionally, the company implemented the 5S Kaizen management system, fostering a culture of continuous improvement. Special online detectors are employed to identify and reject defective cables and wires, further ensuring product quality.

Kelani Cables' focus on integrating a product-based strategy throughout the value chain has solidified its competitive position. By emphasizing quality, operational efficiency, and customer satisfaction across every stage, the company has established itself as a standard-bearer of excellence in the Sri Lankan cable industry. This approach has garnered the trust and loyalty of its customers nationwide.

In a critical turning point, a study conducted in 2010 by Kelani Cables revealed that many of its competitors were focusing on similar factors, such as quality and durability to differentiate their products. Recognizing the need for a more distinct brand identity, Kelani Cables decided to redefine its product-based strategy. The company aimed to create a unique value proposition by focusing on brand development, with an emphasis on making the brand more relevant and relatable to its customers. This strategic shift marked Kelani Cables' transition from an industrial product-oriented approach to a more

consumer-centric positioning.

BUILDING BRAND CREDIBILITY THROUGH INTERMEDIARIES AND PROFESSIONALS

Kelani Cables recognized the importance of establishing brand credibility to ensure the reliability and trustworthiness of its products. This challenge was particularly significant in the industrial sector, where the product's technical nature required a clear, reliable reputation. As stated by the company's leadership, building brand credibility involved a practical and authentic approach, aimed at earning the trust of both consumers and professionals who influence purchasing decisions.

In the Sri Lankan cable industry, the role of intermediaries such as electrical engineers, consultants, and electricians is pivotal. With a dealer network estimated at around 6,000 to 7,000 dealers countrywide, Kelani Cables understood that these professionals significantly influence both business-to-business (B2B) and business-to-consumer (B2C) decision-making. Electricians play a key role in smaller, consumer-focused projects like house wiring, while electrical engineers and consultants are instrumental in advising on larger, more complex government and private sector projects. Recognizing the influence of these professionals, Kelani Cables focused on building strong relationships with them to support brand credibility.

To cater to both B2B and B2C needs, Kelani Cables adopted a two-pronged approach aimed at engaging intermediaries and attracting end consumers. By collaborating/working closely with electricians and consultants, the company ensured that these intermediaries were well-informed about its products' quality, reliability, and compliance with industry standards. This approach allowed intermediaries to become brand advocates, further strengthening the credibility of Kelani Cables in the marketplace.

Kelani Cables also recognized that, prior to 2012, intermediaries had significant influence on purchasing decisions. However, the company noted a shift in the market landscape after 2012, as consumers began to play a larger role in their purchasing decisions. With increasing access to information, consumers became more aware of the brands available to them. As a result, Kelani Cables adopted its strategy to not only maintain its strong relationships with intermediaries but also empower consumers to make informed choices. The company's shift towards more direct consumer engagement was aligned with the growing demand for transparent information in the market.

This shift in strategy allowed Kelani Cables to adapt to the changing market dynamics. By strengthening its connection with professionals and providing consumers with the information they need, Kelani Cables continued to build its reputation as a reliable brand across all customer segments.

COMPETITIVE EDGE: THE POWER OF EMOTIONAL CONNECTION AND BRAND PROMISE

Kelani Cables' strategic shift towards fostering a deeper emotional connection with its customers has provided a distinct competitive edge in the Sri Lankan cable industry. While the company initially built its reputation on the foundation of technical excellence and quality, it later expanded its approach to incorporate emotional connections, further strengthening its market position.

Recognizing that consumers wanted more than just a high-quality product, Kelani Cables positioned its brand around the core values of safety, reliability, and peace of mind. The brand's "Safety Forever" message spoke directly to the concerns of consumers, offering more than just technical specifications, and helping to make the brand more memorable. By addressing these emotional aspects of consumer need, Kelani Cables sought to differentiate itself from competitors who were focused primarily on technical features.

The "Safety Forever" message held a deeper meaning for consumers, symbolizing a commitment to the security and safety of their homes – the security of a well-functioning electrical system in a dream home. This emotional connection allows to build strong customer perception of Kelani Cables as a brand that prioritizes their well-being and safety "Like a father – Like a mother". By delivering on its promise of safety and reliability, Kelani Cables has built trust and credibility among consumers, further enhancing its brand's performance. This promise of reliability allowed Kelani Cables to build a strong emotional connection with customers. By delivering on its promise of safety and consistent product quality, Kelani Cables established itself as a trusted and dependable brand.

Beyond traditional marketing efforts, Kelani Cables reinforced its brand message through visible initiatives such as the installation of safety and warning boards on public roads and branding police station name boards. Their commitment to this emotional connection is evident in their Above-the-Line (ATL) campaigns promoting "Safety Tips." These actions further strengthened its emotional bond with the community and customers.

Kelani Cables recognized that creating brand equity goes beyond just selling products—it involves establishing strong and lasting relationships. The company's efforts to build emotional connections with its customers paid off as it saw increased loyalty and advocacy. Customers who felt personally connected to the brand were tended to make repeat purchases and recommend Kelani Cables to others, contributing to long-term growth and success.

The company also focused on cultivating relationships with industry professionals. Recognizing the influence of electricians and engineers on purchasing decisions, Kelani Cables partnered with universities such as the University of Peradeniya and University of Jaffna to offer training programs. The "Kelani Visura" professional club, which further engaged electricians, helped foster a community of brand advocates within the industry. These initiatives not only enhanced trust and loyalty but also positioned Kelani Cables as an active contributor to the development of the electrical industry.

Through these efforts, Kelani Cables succeeded in fostering a sense of community and shared purpose among its customers and industry professionals. Through this, Kelani made a promise to the society, i.e., “Kelani aspires to be not just a reliable cable supplier, but a trusted partner in building a safer Sri Lanka”. This approach ensured that the brand was perceived not just as a reliable supplier but also as a trusted partner in building a safer Sri Lanka.

CORPORATE LEVEL ATTENTION ON BRAND EQUITY - TRANSFORMING TO CUSTOMER-BASED BRANDING APPROACH

The Out-In Approach with Research Insights for Branding Strategy

Kelani Cables recognized the importance of consumer insights and market assessments in shaping its brand development strategies, marking a significant shift within the cable industry. Between 2008 and 2015, the company invested in professional research services to gain a deeper understanding of consumer decision-making patterns and to assess the health of its brand. These studies, conducted with and backed by research providers such as the University of Kelaniya and external consultants, laid the groundwork for shifting from a product-based positioning strategy to one focused on consumer value.

The CEO of Kelani Cables remarked on how these research insights were instrumental in reshaping the company’s approach. "We had some eye-opening insights from the research, which even influenced us to change some of our brand communication materials and touchpoints," he stated. This demonstrated the company’s commitment to adapting its branding efforts based on solid data and understanding consumer preferences.

The company’s dedication to continuous research highlighted the importance of focusing on brand health and consumer behavior, even for a high-tech product like cables. This approach provided Kelani Cables with a strategic advantage in building a brand that not only met the technical needs of its customers but also resonated with their emotional and functional expectations.

SYSTEMATIC BRAND BUILDING PLAN AND SHARED RESPONSIBILITIES

Kelani Cables PLC embarked on a strategic journey to strengthen its brand by cultivating emotional connections with its customers. This concerted effort involved a comprehensive, long-term brand building plan, with responsibilities shared among various stakeholders within the company and external partners. Milestones of the brand building trajectory can be listed as below.

- Strategic Shift Towards Customer-Centricity (2010):

In 2010, Kelani Cables made a pivotal shift from a product-centric approach to a customer-centric strategy. This transition recognized the need to prioritize consumers, alongside intermediaries and professionals, in the decision-making process. The leadership of Kelani Cables took charge of this shift, leading the company’s marketing and communication efforts to connect emotionally with end consumers.

- Establishing Emotional Brand Connection (2010):

Kelani Cables identified "Safety Forever" as the emotional core of its brand message, aiming to create a connection that went beyond the product's technical features. However, the company initially faced challenges in effectively communicating this message to consumers. The responsibility for conveying and embedding this emotional connection fell on the marketing and advertising teams, who worked to craft campaigns designed to evoke the intended emotional response.

- Campaigns to Reinforce Emotional Message (2012-2019):

Between 2012 and 2019, Kelani Cables launched several above-the-line (ATL) campaigns to reinforce its emotional brand message. Despite these efforts, early campaigns did not fully capture the essence of "Safety Forever." In response, the company engaged an external consultant to refine its strategy and messaging. The marketing and advertising teams, guided by insights from the consultant, took on the responsibility of developing and executing more effective campaigns.

- Humanizing Brand Elements (2015):

Building on the recommendations from the external consultant, Kelani Cables took steps to humanize its brand elements, aiming to foster a deeper emotional connection with consumers. The 2015 "Protecting Like a Mother" campaign sought to evoke feelings of safety and protection. However, the campaign faced challenges in maintaining brand distinctiveness. Subsequent campaigns in 2019, centered around "Protecting Like a Father," successfully captured the emotional essence of the "Safety Forever" message, further embedding it within the brand. The responsibility for the ideation and execution of these campaigns was shared between the internal marketing teams and the external consultant.

- Engagement Initiatives for Intermediaries and Professionals:

Recognizing the importance of emotional connections with intermediaries and professionals in the industry, Kelani Cables launched initiatives like a diploma program for electricians in collaboration with the University of Peradeniya and the University of Jaffna. The company also established the "Kelani Visura" professional club, which aimed to build loyalty and foster community engagement. These efforts were driven by the brand's corporate social responsibility (CSR) and marketing teams, working alongside university partners and industry professionals.

- Visibility Enhancement and Safety Advocacy:

To reinforce its commitment to safety, Kelani Cables initiated visibility enhancement efforts such as installing safety signage on public roads and branding police station name boards countrywide. These initiatives, along with safety advocacy campaigns, were designed to position Kelani Cables as a trusted advocate for consumer safety. The marketing and CSR teams were responsible for executing these efforts in collaboration with external partners and government authorities.

In conclusion, Kelani Cables' systematic approach to brand building highlights the collaborative efforts across various departments and external partners. From shifting brand positioning to creating targeted communication campaigns and fostering community engagement, the company worked towards cultivating emotional brand equity. Each step was driven by a shared vision of forming lasting emotional connections with both customers and stakeholders.

SYNCHRONIZING PUSH AND PULL STRATEGIES

As part of its ongoing efforts to transform its brand and build stronger emotional connections with its customers and stakeholders, Kelani Cables has implemented several strategic initiatives. These initiatives focus on both enhancing relationships with key professionals in the industry and engaging consumers through meaningful experiences. By aligning its communication strategies, investing in professional development, and fostering a sense of community, Kelani Cables aims to strengthen its brand presence and loyalty among its target audience.

- Role of the Newly Appointed Consultant

With the appointment of a new branding consultant, Kelani Cables is set to undergo a significant shift in its brand strategy. Moving away from a purely rational, product-focused approach, the company now aims to foster deeper emotional connections with its audience. The consultant has introduced a strategy centered on crafting compelling brand narratives that tap into customer emotions, based on extensive market research. The objective is to showcase Kelani Cables' values, commitment to innovation, and its journey of growth. As part of this transformation, Kelani Cables has also updated its visual identity, incorporating new colors, imagery, and design elements to evoke the desired emotional response from consumers.

This fresh approach emphasizes storytelling and immersive brand experiences to strengthen the connection with customers. The company's involvement in social responsibility initiatives, along with empowering employees and electricians as brand advocates, further supports its long-term goals of building emotional brand equity. The continuous adaptation of the brand based on consumer feedback is another key aspect of this strategy, ensuring that Kelani Cables remains in tune with the evolving needs and expectations of its audience.

- Kelani Visura - Workforce Community/Brand Community

One of the key initiatives in this strategy has been the creation of the "Kelani Visura" professional club, which connects local electricians across the country. Through this club, Kelani Cables has successfully enhanced positive word-of-mouth among electricians, helping to boost sales and brand loyalty in the long run. The club offers several advantages, including access to the latest technological advancements in the industry. Currently, 15,000 electricians are members, and Kelani Cables holds workshops nationwide to improve the skills of regional electricians.

Members of the “Kelani Visura” professional club enjoy several benefits, such as earning "points" for every label submitted to the company. These points can be redeemed for a range of rewards, including travel bags, caps, and umbrellas. Additionally, the club offers accident insurance coverage, with a Rs 1.2 million cap, available to members for a minimal cost of 750 points. This initiative demonstrates the company's commitment to supporting and rewarding its key stakeholders.

- Training Programs for Electricians

As part of its ongoing corporate social responsibility (CSR) efforts, Kelani Cables has implemented a comprehensive training program for electricians. This initiative exemplifies the company's balanced approach to both push and pull strategies. By investing in the development of skilled professionals, Kelani Cables addresses the industry's skill gap, while simultaneously attracting aspiring electricians into the company's brand ecosystem. The training program is offered in collaboration with respected institutions such as the University of Peradeniya and the University of Jaffna, with Kelani Cables covering all associated costs.

These training opportunities not only equip participants with valuable technical knowledge and expertise but also strengthen their relationship with the brand. Through these initiatives, Kelani Cables fosters long-term loyalty and brand advocacy among electricians, ensuring that they remain committed to the company as trusted partners in promoting its products.

RESOURCE ALLOCATION

To optimize its operations and steer the company toward a more strategic path, Kelani Cables recognizes the vital importance of efficient resource allocation. This involves the thoughtful deployment of human capital, financial resources, and time to ensure that initiatives are executed smoothly and effectively. As part of this effort, the company has enlisted the expertise of an experienced brand consultant, seeking valuable insights and recommendations for a comprehensive brand overhaul. This partnership aims to refine the company's direction and strengthen its overall branding strategy.

In addition, Kelani Cables has established a dedicated team to lead this initiative, ensuring the successful execution of the branding transformation. The team is responsible for monitoring progress, assessing performance including adequate key performance indicators (KPIs) against key objectives, and addressing any obstacles that may arise along the way. Through this focused approach and strategic resource management, Kelani Cables aims to solidify its brand position and enhance its competitiveness in the market.

CULTIVATING THE RIGHT MINDSET AND EMPOWERING INTERNAL STAKEHOLDERS

McCracken's (1993) stated that "Brands have value; it turns out, because they add value". Kelani Cables' commitment to emotional brand equity extends beyond external marketing strategies and initiatives. To truly integrate this concept into the company and strengthen

its emotional connection with customers, it is essential to foster the right mindset among internal stakeholders. This involves encouraging a sense of ownership and pride in the brand, where employees actively support and represent the brand's values.

Kelani Cables understands the significance of internal branding, ensuring that the brand's core values, particularly the "Safety Forever" message, resonate throughout the organization. This commitment to safety is not just a marketing slogan but a guiding principle for every aspect of the company's operations. For instance, the company has created a "Safety Forever Culture," which includes strict safety protocols for employees, including safety gear for factory workers and safe driving practices for company drivers. These measures reflect the brand promise, ensuring that safety is prioritized at every level.

In addition to safety, Kelani Cables empowers its employees by providing training, safety kits, and the necessary tools to perform their jobs effectively. Investing in their workforce helps employees embody the brand's values and deliver on the company's promise. By equipping employees with the resources they need, Kelani Cables adds value to their work experience and, in turn, to the brand itself.

ESTABLISHING EMOTIONAL BRAND EQUITY THROUGH "SAFETY FOREVER"

Kelani Cables' journey toward building emotional brand equity highlights the importance of a strong and consistent brand message. Shifting from a focus on technical specifications to emphasizing the emotional value of safety has enabled the company to forge a connection with its customers. Central to this transformation is the brand promise, "Safety Forever," a simple yet powerful statement that resonates with consumers and evokes a sense of security and trust. This promise extends beyond the product itself, representing a broader commitment to the well-being of customers throughout their entire experience with the brand.

Kelani Cables has further strengthened this emotional connection through its internal branding efforts. By embedding the values of "Safety Forever" within the workforce, the company ensures that every employee becomes an ambassador for the brand. This authenticity translates into exceptional customer service and reinforces the brand's promise at every touchpoint, making the company's commitment to safety evident in every interaction with its customers.

The company's strategic allocation of resources across various areas, including marketing, employee training, and community engagement, has amplified its message. Kelani Cables' focus on safety is not just a slogan used in advertisements; it is a core value that runs through and aligns with every aspect of the company's operations, making it integral to the company culture. Looking ahead, Kelani Cables' continued dedication to the "Safety Forever" promise positions it for long-term success. In a competitive market, the emotional connection created by this commitment is a key differentiator. By fostering brand loyalty among employees and consistently delivering on its safety promise, Kelani Cables is well on its way to building a legacy as Sri Lanka's trusted guardian of safety.

WAY FORWARD ROAD MAP: SUSTAINING THE LEGACY OF THE “SAFETY FOREVER” BRAND PROMISE

Kelani Cables' journey toward emotional brand equity provides valuable lessons for companies aiming to build lasting connections with their customers. Their strategic shift from focusing on technical specifications to weaving emotional storytelling, along with community engagement efforts and an emphasis on brand citizenship behavior among employees, demonstrates the effectiveness of a holistic brand-building approach.

To maintain and grow its legacy, Kelani Cables needs to focus on continuous improvement and adaptation, ensuring that the brand promise, "Safety Forever," resonates with future generations of customers. This forward-looking approach will help the company preserve its strong foundation while exploring new opportunities to enhance its brand presence and customer loyalty.

Despite the company's progress, Kelani Cables faces several challenges that need to be addressed in order to sustain the momentum of its brand transformation:

- **Market Saturation and Competition:**

The Sri Lankan cable industry is becoming increasingly competitive, with multiple players vying for market share. Kelani Cables must continue to differentiate itself by maintaining its focus on emotional connection and customer trust, ensuring that its brand remains relevant and attractive in a crowded market.

- **Adapting to Changing Consumer Needs:**

Consumer preferences are continuously evolving, and Kelani Cables must remain agile in responding to these shifts. The company will need to continuously gather consumer feedback and adapt its products, services, and messaging to stay aligned with customer expectations.

- **Resource Allocation and Investment:**

To execute the strategies mentioned above, Kelani Cables will need to ensure that adequate resources are allocated to key areas, such as marketing, workforce development, and product innovation. Effective and realistic resource allocation will be crucial for scaling the brand's reach and impact.

- **Sustaining Employee Engagement:**

As the company continues to evolve, maintaining high levels of employee engagement and commitment to the brand's values will be essential. Kelani Cables must continue fostering a culture where employees feel empowered to champion the brand and contribute to its success.

By addressing these questions and challenges while continuously refining its strategy, Kelani Cables can further solidify its position as a trusted leader in the electrical industry. Through sustained focus on emotional brand equity, customer loyalty, and workforce advocacy, the company can drive long-term success and continue to be a pillar of trust and reliability in Sri Lanka.

CASE QUESTIONS:

01. Examine how Kelani Cables can establish “Safety Forever” as its brand promise using the brand equity model.
02. Discuss how Kelani Cables can leverage workforce recommendations to promote and enhance sales.
03. Explain how Kelani Cables can utilize through-the-line (TTL) advertising strategies to effectively promote its products.
04. Demonstrate how Kelani Cables can apply emotional appeal in advertising to strengthen the promotion of its electric cable portfolio.
05. Evaluate how instilling brand citizenship behavior in internal stakeholders can help Kelani Cables achieve its desired brand equity.

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