

SL Business Case Studies

Teaching Notes

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

SL Business Case Studies

Teaching Notes

Sri Lankan Business Management Cases: Educator's Guide

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Foreword

It is with great pride and anticipation that I present this companion volume of Teaching Notes for Sri Lankan Business Case Studies (SLBCS), developed and published by the Staff Development Unit of the Faculty of Commerce and Management Studies, University of Kelaniya. This publication marks a significant step forward in our faculty's commitment to promoting applied, case-based learning rooted in local business realities.

The teaching notes included here support a curated collection of seven original case studies, each grounded in real-world scenarios from leading Sri Lankan companies. These cases span diverse subject areas such as Information Systems, Forensic Accounting, Financial Technology, Finance, Human Resource Management, and Marketing, reflecting the evolving challenges and strategic responses that shape Sri Lanka's corporate landscape.

What makes this initiative especially impactful is that all case studies and corresponding teaching materials have been developed by academic staff of our own faculty. These teaching notes offer structured guidance to educators on how to deliver the cases effectively, facilitate meaningful classroom discussions, and promote critical thinking and contextual application among students. The integration of industry insights and academic rigor in these materials bridges the gap between theoretical instruction and practical relevance.

I commend the Staff Development Unit for its foresight in recognizing the need for localized teaching resources and for leading this initiative with dedication. I also extend my sincere appreciation to the authors and facilitators whose commitment and scholarship have brought this work to fruition.

It is my hope that this teaching note series not only enhances the use of SLBCS in classrooms but also encourages a culture of locally grounded academic inquiry and innovation in teaching. May this serve as a foundation for a growing repository of Sri Lankan case-based resources that enrich management education for years to come.

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

The *SL Business Case Studies (SLBCS) – Teaching Notes* would not have been possible without the collective support and contributions of many individuals dedicated to enhancing contextually relevant business education in Sri Lanka.

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 Teaching Notes of Sri Lankan Business Case Studies (SLBCS) represent a significant step forward in advancing context-specific, application-oriented learning in Sri Lanka's business education landscape. Developed by academic staff of the Faculty of Commerce and Management Studies, University of Kelaniya, this teaching companion complements the SLBCS case volume by offering structured pedagogical support for instructors aiming to facilitate critical, real-world learning experiences in the classroom.

This volume includes teaching notes for a series of diverse case studies centered on prominent Sri Lankan companies, covering key areas such as digital transformation, fraud mitigation, financial technology, sustainability, human capital strategy, and marketing innovation. The teaching notes are designed to guide educators in using the cases effectively across undergraduate and postgraduate courses in accounting, management, marketing, finance, human resource management, information systems, and business strategy.

Each teaching note outlines the case synopsis, teaching objectives, discussion questions, suggested teaching approaches, and course placement, ensuring that instructors can easily integrate these cases into their syllabi. The cases explore pressing business challenges ranging from the implementation of ERP systems, fraud risk controls, and ESG practices, to fintech adoption and strategic organizational change while embedding relevant theories and models such as the Fraud Diamond Theory, Porter's Generic Strategies, Innovation Diffusion Theory, and the Iceberg Model.

What makes this initiative especially valuable is its focus on Sri Lankan business contexts, allowing learners to move beyond imported examples and engage with locally grounded, industry-specific narratives. The teaching notes emphasize analytical thinking, decision-making under uncertainty, ethical considerations, and the role of leadership in dynamic environments, skills essential for shaping future-ready graduates.

This volume of teaching notes is intended not only to enrich the case-based teaching culture within Sri Lanka but also to serve as a catalyst for more locally produced academic resources that bridge the gap between theory and practice.

Teaching Note

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 teaching note as an aid to instructors in the classroom use of the case Digital Transformation in Sports Manufacturing at MAS KREEDA, No.01. This teaching note should not be used in any way that would prejudice the future use of the case.

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MAS KREEDA's strategic digital transformation to enhance efficiency, competitiveness, and agility in sportswear manufacturing. Starting with SAP and ORACLE in 2017, the company adopted "3D product design, a digital supply chain control tower, and BI Dashboards" to streamline operations and enable "data-driven decision-making." Overcoming challenges such as "skill gaps, data security, and employee resistance," MAS KREEDA implemented "training programs, cybersecurity measures, and change management strategies." This transformation "minimized costs, automated processes, and strengthened its competitive edge." The case offers key lessons on "leveraging technology for innovation, workforce adaptability, and operational excellence" in a dynamic industry.

CASE SYNOPSIS

MAS KREEDA embarked on its digital transformation journey in 2017, leveraging SAP as its Enterprise Resource Planning (ERP) system and ORACLE for Human Resource Information System (HRIS) management. The initiative aimed to streamline operations, enhance efficiency, and address industry challenges such as cost minimization, automation, and the growing demand for data analytics. To stay competitive in the evolving sports manufacturing sector, MAS KREEDA adopted advanced digital technologies, introducing digital product creation, a supply chain control tower, and Business Intelligence (BI) Dashboards. These innovations revolutionized product development, improved supply chain transparency, and empowered decision-makers with real-time insights. By integrating 3D product designing, MAS KREEDA enhanced creativity, speed, and customization in product development. The company also leveraged BI tools to foster data-driven decision-making, reinforcing its commitment to innovation and agility. These advancements enabled MAS KREEDA to optimize supply chain operations and maintain a strong competitive edge in the global market.

However, the digital transformation journey presented challenges, including a skill gap,

¹ <https://doi.org/10.17605/OSF.IO/XRZ5M>

cybersecurity concerns, and resistance to change. MAS KREEDA proactively tackled these issues by implementing comprehensive training programs, strengthening security protocols, and fostering a culture of innovation. The company emphasized structured change management strategies, clear communication, and employee incentives to encourage adaptation to new technologies. To ensure long-term success, MAS KREEDA established robust operational frameworks, streamlined decision-making processes, and promoted cross-functional collaboration. Additionally, the company adopted an agile project management approach, conducting bi-weekly committee meetings to assess ongoing developments and implement real-time improvements. This iterative methodology allowed MAS KREEDA to swiftly address operational inefficiencies, enhance responsiveness, and align with the dynamic demands of the sports manufacturing industry. Through these strategic efforts, MAS KREEDA has successfully positioned itself as a forward-thinking, technologically advanced player in the global market, driving continuous improvement and innovation within its operations.

POSITION IN THE COURSE/TEACHING OBJECTIVES

The case explores MAS KREEDA's digital transformation, focusing on its adoption of SAP, ORACLE, 3D product design, digital supply chain management, and BI Dashboards to enhance efficiency, agility, and competitiveness. It examines key challenges such as skill gaps, data security, and employee resistance and how the company addressed these through training programs, cybersecurity measures, and change management strategies. Depending on the course, possible teaching objectives include the following.

- To examine the key drivers and challenges of digital transformation in the sports manufacturing industry.
- To analyze MAS KREEDA's IT strategy, including the adoption of ERP, HRIS, and Business Intelligence tools.
- To evaluate the role of agile project management in executing and sustaining digital transformation.
- To assess strategies for overcoming barriers such as skill gaps, cybersecurity concerns, and resistance to change.

This case can be used in Bachelor of Business Management Honours in Accountancy, Bachelor of Business Management Honours in Auditing and Forensic Accounting, and Bachelor of Business Management Honours in Accounting Information Systems courses at the undergraduate level.

SUGGESTED ASSIGNMENT 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?

POSSIBLE READINGS

- Laudon, K. C. and Laudon, J. P. (2020). Management Information Systems - Managing the Digital Firm, 16th Edition.

SUGGESTED TEACHING APPROACH

This case can be taught in a 120-minute session or extended as needed. The session begins with an overview of MAS KREEDA's digital transformation, highlighting the adoption of SAP, ORACLE, 3D product design, digital supply chain management, and BI Dashboards. Students then discuss the challenges faced, such as skill gaps, data security, and resistance to change, along with the strategies implemented to overcome these, including training programs, cybersecurity measures, and change management initiatives.

DISCUSSION 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?**

MAS KREEDA's digital journey began in 2017 with the adoption of SAP as its Enterprise Resource Planning (ERP) system and ORACLE for its Human Resource Information System (HRIS). These implementations provided a structured

technological foundation, streamlining operations, enhancing organizational efficiency, and centralizing data management. Technological Foundation with SAP and ORACLE (2017),

- MAS KREEDA adopted SAP as its Enterprise Resource Planning (ERP) system to integrate and streamline core business processes, improving efficiency and data flow across departments.
- The company also implemented ORACLE as its Human Resource Information System (HRIS) to optimize workforce management, automate HR processes, and enhance employee data security.
- These systems centralized information, improved data accuracy, and enhanced operational visibility, laying a structured foundation for future digital advancements.

However, as the sports manufacturing industry evolved, the company faced several challenges, despite these improvements, several industry challenges required a broader digital strategy,

- Rising Cost Pressures - Increasing global manufacturing costs required solutions for operational efficiency and waste reduction.
- Global Competition - The industry was becoming more competitive, with brands like Nike demanding faster innovation and cost-effective solutions from manufacturing partners.
- Need for Automation - Many processes were manual and time-consuming, limiting agility in responding to customer needs.
- Demand for Data-Driven Decision-Making - Real-time data insights were needed for better forecasting, inventory management, and performance tracking.
- Supply Chain Complexities - Managing operations across multiple locations (Jordan, Indonesia, Sri Lanka) required advanced digital tools for transparency and control.

To address these challenges, MAS KREEDA moved beyond SAP and ORACLE, adopting cutting-edge digital solutions such as 3D Product Design, Digital Supply Chain Management, and Business Intelligence (BI) Dashboards to enhance efficiency and competitiveness.

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?

MAS KREEDA strategically embraced digital technologies to enhance efficiency and maintain a competitive edge:

3D Product Designing/Prototypes

MAS KREEDA introduced 3D digital product design to replace traditional physical prototyping. This allowed for faster product development, reduced material wastage, and improved design accuracy. This technology significantly reduced the time and cost involved in product development by enabling digital sampling instead of physical prototypes. It enhanced creativity, customization, and accelerated the innovation cycle. Challenges Addressed as follows,

- Cost Minimization - Eliminated the need for multiple physical prototypes, reducing material waste and production costs.
- Process Automation - Enabled real-time digital modifications, reducing design iterations and speeding up the approval process.
- Global Competition - Allowed designers across multiple locations to collaborate virtually, reducing time-to-market for Nike and other clients.

Digital Supply Chain Management (Control Tower)

MAS KREEDA adopted a Supply Chain Control Tower, an advanced real-time tracking and management system for supply chain operations. This enabled the company to monitor raw material sourcing, production scheduling, and logistics in real-time. By incorporating advanced digital platforms, MAS KREEDA optimized its supply chain operations. This improved transparency, allowed real-time tracking, and enabled swift responses to market demands, reducing inefficiencies and costs.

- Cost Minimization - Reduced inventory holding costs by implementing just-in-time supply chain strategies.
- Process Automation - Optimized order tracking and demand forecasting, reducing bottlenecks in production and delivery.
- Global Competition - Improved operational transparency and faster market responsiveness, making MAS KREEDA a more efficient and reliable supplier.

BI Dashboards

The company introduced BI Dashboards to analyze and visualize key operational, financial, and supply chain data in real-time. The introduction of data analytics tools provided decision-makers with real-time insights into operational dynamics, fostering informed strategic decisions. This not only helped in cost control but also improved efficiency through data-driven process automation.

- Cost Minimization - Identified cost leakages and optimized resource allocation.
- Process Automation - Allowed leadership to make data-driven decisions faster, reducing dependency on manual reporting.
- Global Competition - Provided real-time insights on market trends, production efficiency, and customer demands, improving strategic decision-making.

By adopting these technologies, MAS KREEDA was able to streamline operations, automate processes, and gain a competitive edge in the global sports manufacturing

industry.

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?

MAS KREEDA faced multiple barriers during its digital transformation,

- Skill Gaps - Many employees lacked the technical expertise required for new digital tools. MAS KREEDA launched comprehensive training programs and recruited specialized digital talent to bridge the gap.
- Security Protocols - With increased reliance on digital systems, data security became a major concern. MAS KREEDA ensured state-of-the-art cybersecurity measures were integrated into all new technologies to maintain data integrity and confidentiality. MAS KREEDA worked closely/collaborated with cybersecurity experts to implement advanced security protocols, encrypted data storage, and access control measures.
- Organizational Culture - The shift to digital required a mindset change. MAS KREEDA incentivized employees, encouraged leadership initiatives, and created an environment that valued experimentation and learning. Leadership emphasized the benefits of digital transformation in improving work efficiency rather than replacing jobs. Incentive programs were introduced to reward employees who adapted quickly to new tools.
- Employee attitudes - Employees often resist technological change due to fear of the unknown or job security concerns. MAS KREEDA fostered a culture of innovation, emphasized the benefits of digital transformation, and implemented change management strategies to ease the transition. MAS KREEDA created a culture of experimentation and learning, encouraging continuous improvement and adaptability.

Through these efforts, the company successfully overcame resistance and ensured smooth digital integration.

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.

The activities of MAS KREEDA were significantly impacted by the incorporation of new technology, especially with regard to cost reduction, process automation, and general competitiveness. Prototyping took less time and money thanks to 3D product design, which resulted in considerable cost savings. By streamlining operations, cutting down on inefficiencies, and guaranteeing quicker production cycles, the digital supply chain management system enhanced the company's capacity to quickly satisfy market needs. By using BI dashboards, leadership was able to monitor performance metrics

in real time and make timely modifications, enabling data-driven decision-making. This enhanced responsiveness and agility in a market that moves quickly, which immediately increased the company's competitive edge.

Cost Minimization

3D Product Design eliminated the need for physical prototypes, reducing material waste. Automated Supply Chain Management reduced logistics inefficiencies, saving transportation and warehousing costs. BI Dashboards optimized resource allocation, minimizing overhead expenses.

Process Automation

Manual tasks (e.g., inventory tracking, reporting) were automated, boosting efficiency. The supply chain control tower improved logistics tracking, enabling real-time issue resolution.

Increased Competitiveness

Data analytics provided actionable insights, allowing for faster decision-making. Enhanced agility positioned MAS KREEDA as an innovator in sports manufacturing.

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?

MAS KREEDA's proactive approach to overcoming challenges during its digital transformation included implementing training programs to bridge the skill gap, integrating state-of-the-art security measures to protect digital assets, and fostering a cultural shift towards innovation and experimentation. The company also utilized change management strategies to manage employee attitudes and ensure a smooth transition. These initiatives were integral in successfully integrating new technologies, as they addressed both technical and human factors. The training programs ensured that employees could effectively use new systems, while the emphasis on security gave both employees and clients confidence in the company's digital practices. Encouraging a culture of continuous learning and innovation helped align the workforce with the company's transformation goals. Through communication, incentives, and leadership support, MAS KREEDA fostered a positive attitude towards change, which was crucial in gaining employee buy-in. The key lessons for other organizations include the importance of investing in employee training, prioritizing security, communicating the benefits of digital transformation clearly, and encouraging a culture of innovation to successfully navigate and sustain digital change. MAS KREEDA's successful digital transformation was driven by,

- Training & Skill Development - Implemented continuous learning programs to equip employees with digital skills. Encouraged cross-functional collaboration, bridging the gap between IT teams and business units.
- Strengthening Security Measures - Partnered with cybersecurity experts to safeguard digital assets.
- Ensured compliance with global data protection standards.
- Organizational Culture & Change Management - Fostered a culture of innovation, encouraging employees to embrace digital tools. Created communication channels to ensure transparency and engagement throughout the transformation process. Introduced recognition programs to reward employees who successfully adopted digital practices.

Key Lessons for Other Organizations,

- Invest in People - Digital transformation is not just about technology; employee training and change management are crucial.
- Adopt a Data-Driven Approach - Leveraging real-time analytics improves decision-making and operational efficiency.
- Prioritize Cybersecurity - Ensuring robust security protocols is essential in digital transformation.
- Foster an Agile Mindset - Regularly evaluating digital strategies (e.g., bi-weekly committee meetings) ensures continuous improvement.

MAS KREEDA's digital transformation journey serves as a model for other companies seeking to integrate technology into manufacturing. By embracing 3D design, digital supply chain management, and BI Dashboards, the company not only streamlined operations but also enhanced competitiveness in the global sportswear industry. Their proactive approach to skill development, security, and change management highlights best practices for companies navigating digital transformation. By adopting agile methodologies and fostering innovation, MAS KREEDA remains at the forefront of industry advancements, demonstrating that technology, when strategically implemented, can drive long-term success.

Teaching Note

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. wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations.

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Dr. Joseph T. Wells noted, “Fraud is not an accounting problem; it is a human problem.” Despite a robust ERP system, vulnerabilities exist in procurement, payroll, and insurance claims. The Group Risk and Controlling (GRC) team ensures fraud mitigation through manual, system, and process controls, including audits, ICT security, and SOPs. Procurement remains a high-risk area, alongside payroll and insurance fraud. To enhance resilience, MAS KREEDA integrates IT controls, whistleblowing mechanisms, and continuous monitoring, balancing technology and human integrity.

This case challenges students to develop effective fraud prevention strategies in a global manufacturing business. By analyzing MAS KREEDA’s risk controls, IT security, and audit mechanisms, students will identify key components of a strong anti-fraud framework. The case highlights the balance between technology and human integrity in mitigating financial risks.

CASE SYNOPSIS

MAS KREEDA embarked on its digital transformation journey in 2017, leveraging SAP as its Enterprise Resource Planning (ERP) system and ORACLE for Human Resource Information System (HRIS) management. Fraud Mitigation in the Digital Age explores how MAS KREEDA, a division of MAS Holdings and a key manufacturing partner for Nike, navigates fraud risks in a digitalized business environment. Despite leveraging an ERP system for process control, vulnerabilities remain due to human intervention and manual processes. The company’s Group Risk and Controlling (GRC) team focuses on financial reporting reliability and fraud risk mitigation through structured policies, audit programs, and digital controls such as SAP integration, access management, and multi-level authentication. However, fraud risks persist in procurement, payroll, and insurance claims, where external interventions and financial transactions pose major threats.

To mitigate fraud, MAS KREEDA implements a combination of manual, system, and process controls. It employs IT security measures like controlled document access, restricted hardware usage, and structured approval processes to prevent unauthorized transactions. Standard Operating Procedures (SOPs) and continuous monitoring

mechanisms, including Control Self-Assessment (CSA) and internal audits, enhance fraud detection. Additionally, the company encourages whistleblowing to identify potential fraud cases. While digitalization significantly aids fraud prevention, MAS KREEDA acknowledges that continuous improvements and human oversight are necessary to strengthen its fraud mitigation strategies.

POSITION IN THE COURSE/TEACHING OBJECTIVES

The case explores MAS KREEDA's digital transformation in fraud prevention, focusing on the GRC team, SAP controls, and key risks. It examines fraud mitigation strategies and monitoring mechanisms to ensure financial integrity. Depending on the course, possible teaching objectives include the following.

- To describe how MAS KREEDA utilizes digital transformation to enhance its internal controls and prevent fraud within the organization.
- To explain the key objectives of MAS KREEDA's GRC team, and how they contribute to financial reporting reliability and fraud risk mitigation.
- To describe MAS KREEDA's digitalization strategy, particularly its use of the SAP system, and how it has impacted fraud prevention efforts.
- To identify the main areas within MAS KREEDA where fraud is most likely to occur and outline the red flags that should be monitored.
- To discuss how MAS KREEDA implements a comprehensive fraud mitigation strategy, including manual controls, system controls, and process controls.
- To evaluate MAS KREEDA's approach to creating a controlling environment for prevention of fraud and the mechanisms in place for continuous monitoring and review.

This case can be used in Bachelor of Business Management Honours in Accountancy, Bachelor of Business Management Honours in Auditing and Forensic Accounting, and Bachelor of Business Management Honours in Accounting Information Systems courses at the undergraduate level.

SUGGESTED ASSIGNMENT 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 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 does 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?

POSSIBLE READINGS

- Laudon, K. C. and Laudon, J. P. (2020). Management Information Systems - Managing the Digital Firm, 16th Edition.

SUGGESTED TEACHING APPROACH

This case can be taught in a 120-minute session or extended as needed. The session begins with an overview of MAS KREEDA's fraud risks and digital transformation. Students then discuss the GRC team, SAP implementation, and fraud mitigation strategies. A class-wide debate follows on balancing technology and human oversight in fraud prevention.

DISCUSSION QUESTIONS

- 01. Describe how MAS KREEDA utilizes digital transformation to enhance its internal controls and prevent fraud within the organization.**

Digital transformation is the bedrock of MAS KREEDA's anti-fraud strategy. The SAP system was put in place as a single integrated ERP solution to give a consolidated view of data that combines financial and operational information. In doing so, it allows for transaction monitoring and tracking in real-time. Increased data analysis and reporting will allow MAS KREEDA to acquire exceptions where fraud may have taken place. Digitization creates more robust internal controls since the automation of workflows allows for consistent adherence to policies and reduces human error. This aligns with the Fraud Diamond Theory, which depicts opportunity as being a core fraud element; by cutting down the possible openings for fraudulent acts using monitoring and automation, MAS KREEDA manages risk very well. In addition, the company leverages digital safety tools to institute access control, elevate two-factor authentication, and regularly review user access, thereby creating a potent environment that bars any potential fraudster.

- Centralized Data Management - MAS KREEDA uses the SAP ERP system to centralize financial and operational data, thus improving visibility and control across business functions.
- Real-Time Monitoring - The SAP system would provide real-time transaction monitoring, enabling the company to pick up on different anomalies that would otherwise indicate potential fraud.

- Automated Workflows - With automation of workflows, MAS KREEDA minimizes errors by humans and ensures uniform application of controls, which is key for prevention of fraud.
- Application of the Fraud Diamond Theory - It touches with the "opportunity" portion of the Fraud Diamond with digital tools of the company by providing a controlled environment, reducing opportunities for fraud.
- Access Control and Audit - It must be understood that digital transformation further enabled access control, two-factor authentication, and regular audits, thereby bolstering the internal control framework and insulating the company from rogue operations.

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.

The objectives of the GRC team at MAS KREEDA are Financial Reporting Reliability and Monitoring of Fraud Risk.

- Financial Reporting Reliability (FRR) - The GRC team ensures that financial reports are accurate and compliant with regulations, thus maintaining stakeholder trust.
- Fraud Risk Monitoring (FRM) - The team identifies, assesses, and mitigates fraud risks through the development and implementation of effective controls.

The GRC team is responsible for the development and supervision of the policies and procedures aimed at reliable financial reporting, the importance of which revolves around stakeholder trust. The GRC team is aligned with the overall governance framework of MAS Holdings, ensuring compliance with regulatory standards and internal controls.

Apart from this, concerning fraud risk mitigation, the GRC team has put in place the Beneish M-Score Model to assess how likely bookkeeping gains have been manipulated. The model depends on factors such as financial performance ratios that identify red flags in an entity, such as aggressive revenue recognition or exceptional or unusual expense patterns indicating possible fraud. Integrating the M-Score analysis with their risk assessment work allows the GRC team to be proactive in highlighting issues concerning certain areas and enacting controls toward reduction of risk. Thus, enhanced overall reliability in financial reporting. Contributions to Reliability and Mitigation are as below,

- Beneish M-Score Model Integration - The GRC team utilizes the Beneish M-Score Model to detect potential earnings manipulation by analyzing financial ratios, identifying red flags for further investigation.
- Policy Oversight - By aligning with MAS Holdings' governance framework, the GRC team oversees the implementation of policies and procedures that enhance both FRR and FRM.

- Continuous Improvement - The GRC team conducts regular assessments and updates controls based on emerging risks, ensuring that fraud mitigation strategies remain effective over time.

03. Describe MAS KREEDA's digitalization strategy, particularly its use of the SAP system, and how it has impacted fraud prevention efforts.

The strategy of MAS KREEDA towards digitization aims to build an electronically seamless interchange of information among different business functions through the SAP system, which acts as a central data point of procurement, payroll, and financial reporting, allowing the company to introduce strict controls and real-time monitoring systems. Automated workflows will help significantly reduce the risk of human error in such processes, as such are often contributing factors to fraud.

- Enaction of SAP enables substantive system Implementation - The implementation of SAP is prime strategy set up by MAS KREEDA, integrating various business function areas and giving a holistic view of their operations.
- Data analytics - Through data analytics, the company is able to track transaction trends so that any anomaly that may indicate potential fraud is timely detected.

The enaction of SAP enables substantive system controls such as user authentication protocols alongside transactional monitoring for red flags on unusual activities. Such an attitude of proactivity very much falls within the ambit of the Fraud Diamond Theory regarding opportunity through creating a controlled environment that minimizes chances of fraudulence. Moreover, this digitalization strategy provides for real-time incident audit and assessment such that GRC can continuously monitor the organization's processes and verify the continued operational integrity of internal controls. Impact on Fraud Prevention,

- Enhanced control measures - The SAP system allows for deep controls like automated approvals, transaction monitoring, and user access restrictions.
- Opportunity audits - Through process automation and better data visibility, MAS KREEDA effectively takes opportunities away from fraud possibilities, as by the Fraud diamond theory.
- Proactive risk management - Through this digitalization strategy, MAS KREEDA actionalize. Depending on the nature of the fraud, MAS KREEDA should take action when adequate controls are in place or put in place the required controls to timely identify and mitigate fraud risks.

04. Identify the main areas within MAS KREEDA where fraud is most likely to occur and outline the red flags that should be monitored.

The areas of high amounts-MAS KREEDA-susceptible to fraud risk are procurement, payrolls, and insurances.

Procurement - Procurement is relatively easy for schemers to exploit, as there are numerous and complex transactions with considerable money transfers involved. Possible warning signs constitute uncommonly familiar vendor attachments, variances between purchase orders and invoices, and/or repeated changes in vendor banking on a contract. Red Flags to be monitored are as below,

- Unusual vendor relationships or a lack of competitive bidding.
- Discrepancies between purchase orders and invoices.
- Frequent changes in vendor payment details.

Payroll - The payroll could become affected by internal fraud such as ghost employees and altering amounts. Possible warning signs consist of payroll entries for nonexistent employees, abnormally high overtime payments, and discrepancy regarding payroll reports against actual workforce numbers. Red Flags to be monitored are as below,

- Payroll entries for non-existent employees.
- Patterns of excessive overtime or irregular payment amounts.
- Discrepancies between payroll reports and actual employee counts.

Insurance Claims - Employees may exaggerate or fabricate supposed claims in order to get undue benefits. Some warning signs here may be patterned repeated claims from the same individuals, claims surpassing standard limits of expenses and a lack of support documentation for claims submitted. Red Flags to be monitored are as below

- Patterns of repeated claims by specific employees.
- Claims that exceed typical limits or lack supporting documentation.
- Inconsistent information across claims submitted by employees.

By constantly checking for these red flags in the context of the Beneish M-Score Model, MAS KREEDA will improve fraud detection capabilities and put preventive mechanisms to safeguard itself.

05. Discuss how does MAS KREEDA implements a comprehensive fraud mitigation strategy, including manual controls, system controls, and process controls.

MAS KREEDA overall strategy to control fraud is built upon three types of controls: manual controls, system controls, and process controls.

Manual Controls - These are human interventional mechanisms designed to identify and thwart fraud. MAS KREEDA conducts regular Control Self-Assessments and internal audits, whereby the reports are forwarded through the Head of Finance to the CEO for oversight. This is crucial, as it adds a human dimension to identify potential

fraud indicators.

- Control Self-Assessments (CSAs) and internal audits are conducted regularly, with all reports reviewed by the Head of Finance and CEO to ensure accountability.
- Training programs enhance employee awareness of fraud risks and encourage reporting of suspicious activities.

System Controls - Utilizing technology, MAS KREEDA deploys very stringent ICT security policies, including unique user accounts, mandatory password changes/reset criteria, and two factor authentication. In this way, multilayers of protection are created against unauthorized access would prevent potential fraud from occurring. Exception Reports and Segregation of Duty Metrics (SDM) add an enhanced monitoring ability of the actions users take within the secure environment.

- Strict ICT security policies are in place, including unique user accounts, mandatory password changes, and two-factor authentication.
- Access restrictions and Exception Reports help monitor user actions and ensure adherence to policies.

Process Controls - MAS KREEDA operates Standard Operating Procedures (SOPs) to determine how sensitive data must be handled across departments. Noncompliance in either would lead to a breach of internal policy and regulatory governance, once roles and responsibilities have been made transparent. As an added safeguard, training and awareness programs will reiterate the importance of stopping fraud from becoming culturally accepted at MAS KREEDA.

- Standard Operating Procedures (SOPs) dictate the handling of sensitive information and transactions, ensuring compliance with regulations.
- The company conducts regular reviews of processes to identify areas for improvement and to adapt to changing fraud risks.

These three types of controls shall reach the intended goal propounded by the Fraud Diamond Theory, of which MAS KREEDA assures needs to address not only opportunity but also factors of rationalization and pressure under which fraud could take place.

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.

The approach that MAS KREEDA has taken to create a monitoring and control environment is complete, multifaceted, and deals in decisiveness with the complexities of fraud prevention. A blend of digital tools and manual processes creates a dynamic control environment that changes with the changing nature of risks. The insistence that within the organization, the GRC team creates sufficient oversight in learning compliance and risk management must ensure that fraud prevention is the top priority.

Ongoing monitoring mechanisms such as Control Self-Assessments and Audits are all-important in order to assess whether these controls are working. The implementation of the Beneish M-Score Model additionally allows for the examination of earning manipulation and strengthens the capacity for early adjudication of fraud. Strengths of MAS KREEDA's Approach:

- **Holistic Control Environment** - The integration of digital tools, manual processes, and a strong governance framework creates a robust environment for fraud prevention.
- **Proactive Risk Management** - Continuous monitoring mechanisms, such as Control Self-Assessments and regular audits, ensure that the effectiveness of controls is consistently evaluated and improved.
- **Employee Engagement** - Training and awareness initiatives foster a culture of integrity, encouraging employees to be vigilant and report suspicious activities.

However, the effectiveness of these controls will greatly depend on the integrity and commitment of the employees. Thus, MAS KREEDA must ensure that training and awareness-raising will continue, as a means of establishing an organization-wide culture of transparency and accountability. Its employees would create contingent vigilance, culture-building that would help to bolster MAS KREEDA as a bulwark against fraud and retain that organization as a forerunner in world apparel. Further areas for improvement:

- **Further Automation** - While MAS KREEDA has made significant strides in digitalization, further automation of processes could enhance efficiency and reduce the potential for human error.
- **Increased Focus on Whistleblowing** - Strengthening whistleblowing mechanisms can help the company receive timely reports on suspicious activities, allowing for quicker response and investigation.
- **Continuous Adaptation** - As the business landscape evolves, MAS KREEDA must remain vigilant and adaptive in its fraud prevention strategies, regularly updating controls to address new and emerging fraud risks.

By addressing these key points in each response, MAS KREEDA can create a comprehensive understanding of its fraud prevention strategies and the effectiveness of its internal controls. This approach not only enhances the company's resilience against fraud but also contributes to its overall operational excellence and reputation in the global apparel industry.

Teaching Note

BHASHA LANKA, WINNING FINTECH LANDSCAPE IN SRI LANKA

Wijetunge, W.A.D.S., Panditharathna, K.M., Nimeshi, G.K.S., Sarathchandra, K.S.H., Ekanayake, N.P.K., Rathnayake R.M.S.S. and K.G.P. Lakma. wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations.

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Bhasha Lanka, a leading SaaS (Software-as-a-Service) provider in Sri Lanka, launched their new fintech solution, “HelaPay” in 2021. Since the Sri Lankan fintech landscape has its own challenges, Dhanika Perera, the founder of Bhasha Lanka, urged to create a unique winning strategy for HelaPay’s success. Dhanika has a vision to empower Sri Lanka digitally. He believes his digital solutions have the potential to make a change in the country.

This case allows students to explore on building a winning strategy to make a SaaS product successful within a challenging business environment. Accordingly, students must be able to identify the important components which should be included in a good strategy.

CASE SYNOPSIS

The case takes the perspective of Dhanika Perera, CEO of Bhasha Lanka (Pvt) Ltd. Bhasha Lanka was on board on a challenging mission to capture a significant portion of the fintech market share in Sri Lanka through their “HelaPay”. However, the app needed to address some challenges among the Sri Lankan population towards adopting fintech solutions. The then prevailing preference for traditional payment methods, such as VISA or Master cards and cash on delivery, posed a significant challenge to HelaPay’s growth. The company recognizes the need to address the resistance and reluctance of Sri Lankan consumers to adopt fintech applications. By understanding the underlying factors contributing to this resistance, Bhasha Lanka employed many strategies to overcome barriers and encourage widespread fintech adoption. As a result, HelaPay, their fintech brainchild, was able to facilitate Rs. 1 billion transactions within just two years after its inception. This case study provides background on approaches undertaken by Bhasha Lanka to win market share and transform Sri Lanka's fintech landscape.

POSITION IN THE COURSE/TEACHING OBJECTIVES

The case addresses issues related to product diffusion and strategy implementation related to marketing and new product development. Depending on the course, possible

teaching objectives include the following.

- To Understand the challenges of introducing disruptive solutions in a traditional market:
- To apply theoretical frameworks such as the Technology Acceptance Model (TAM) and Innovation Diffusion Theory to assess a company's product adoption and diffusion.
- To examine marketing strategy implementation in a traditional market.

The course can be taught at the undergraduate level or graduate level.

POSSIBLE READINGS

- Bhasha Lanka (2021). Helakuru Knowledge base. <https://facts.helakuru.lk/payment-services/helapay>
- Rogers, E.M. (2003). *Diffusion of innovations* (5th ed.). New York: Free Press
- Secretariat, C. (2022). *Commonwealth Countries: Driving FinTech Innovation*. <https://doi.org/10.14217/comsec.1070>
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SUGGESTED ASSIGNMENT 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.

SUGGESTED TEACHING APPROACH

This case can be taught in a single 120-minute session or extended based on the teaching objectives. The session can begin with a brief overview of Helapay's business model and key challenges, followed by group discussions on fintech adoption and market strategy. Further, students can engage in a class-wide debate on Helapay's growth opportunities.

DISCUSSION 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 these using the innovation diffusion theory.**

The Diffusion of Innovation theory, created by E.M. Rogers in 1962, is one of the oldest social science ideas. It explains how new ideas or products spread over time among people or groups. As more people learn about it, they start using or accepting it. According to Rogers, innovation diffusion is "an uncertainty reduction process" (p.

232).² To reduce uncertainty the innovation should contain five triggers. These triggers consist of five key characteristics: (1) Relative Advantage, (2) Compatibility, (3) Complexity, (4) Trialability, and (5) Observability. According to Rogers (2003), individuals' perceptions of these characteristics serve as predictors for the pace at which innovations are adopted. The success of HelaPay ignited from these triggers and the app was able to facilitate Rs. 1 billion transactions in two years from its inception.

Relative Advantage - HelaPay stands out from traditional payment methods and rival fintech apps by delivering faster online transaction processing times, peer-to-peer (P2P) money transfers facilitated through instant messaging and, direct foreign remittance transferring. HelaPay allows its services for users who even do not possess debit or credit cards to make payments and transactions.

Compatibility - Helapay's success can be attributed to its alignment with the values, experiences, and needs of its target users in Sri Lanka. It effectively addresses specific challenges encountered by consumers in the local financial landscape. Dhanika always wants to make a quick solution for problems unique to Sri Lankan cultural and economic context. By doing so, HelaPay gains acceptance among potential users.

Complexity - The adoption of innovation can be affected by how complex it is. HelaPay focuses on simplicity and ease of use in its user interface and overall experience. This makes it straightforward for users to grasp and use the app. By keeping things simple, HelaPay makes it easier for users, especially those who may not be tech-savvy or familiar with financial technology, to start using the app.

Trialability - By smoothly blending the fintech feature into the Helakuru super app, users could easily access and explore Helapay's capabilities in a familiar setting they already trusted and frequently used. This encouraged them to try out HelaPay and discover its advantages first-hand, leading to greater confidence and readiness to embrace the platform.

Observability - The ease and effectiveness provided by HelaPay result in tangible results like faster payment processing and less time spent on financial activities. These noticeable advantages act as evidence for others, motivating them to start using HelaPay, which in turn adds to its growing popularity.

² Rogers, E.M. (2003). *Diffusion of Innovations* (5th ed.). New York: Free Press

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

Ease of Use

Helapay's simple user interface and easy navigation demonstrate the concept of perceived ease of use within the TAM framework. The Technology Acceptance Model (TAM), developed by Fred Davis in the 1980s, theorizes that a user's intention to adopt a technology is influenced by two primary factors: perceived ease of use and perceived usefulness.³ Perceived ease of use refers to the degree to which users believe that using a particular system would be effortless, while perceived usefulness pertains to the extent to which users perceive the system as instrumental in achieving their goals (Davis, 1980). HelaPay's biometric integration demonstrates the principles of the Technology Acceptance Model (TAM), particularly in terms of perceived ease of use. For individuals who face technology literacy challenges, biometric authentication provides a simple and accessible means of engaging with digital financial platforms. Perceived usefulness is essentially how much someone thinks technology will improve their performance or simplify their life. It's their personal judgment of how beneficial technology will be in helping them achieve their objectives or tasks. HelaPay promote its features using a marketing tagline called as "Simplest Digital Payment Method in Sri Lanka". Indeed, HelaPay is simplifying the lives of people.

Use of Existing Wider Marketing Channel

Before HelaPay, the Helakuru super app had already acquired millions of users. Rather than seeking to acquire a fresh user base for their new business model, the company chose to integrate Helapay smoothly into its existing app. This decision saved them the daunting task of attracting an entirely new set of users for their fintech venture. This decision proved to be a stroke of genius, as it exploited trust, familiarity, and loyalty to the app already established with its vast user community.

Optimal Timing for Market Entry

The emergence of COVID-19 dramatically transformed consumer habits, leading to a surge in the desire for contactless payment alternatives. Initially, only a few banks had adopted the "Just Pay" technology, but as the demand for online services grew, every bank followed it. HelaPay exploited this increasing adoption of "Just Pay" technology by banks. This transition enabled HelaPay to introduce its platform at an appropriate moment when there was a compelling need for reliable online payment solutions.

Superior Social Strategy Bounded by Customer Empathy

Unlike many counterparts, the company perceives social platforms not merely as avenues for promotion but as crucial channels for establishing personal connections with customers. Instead of viewing customers solely as users of their product, Dhanika regards them as individuals with genuine concerns. This perspective informs all aspects of the company's operations, from feature development to customer support.

³ Davis, F. D. (1985). A technology acceptance model for empirically testing new end-user information systems: Theory and results (Doctoral dissertation, Massachusetts Institute of Technology)

Strategic Partnerships

HelaPay operates through the LankaPay payment network. LankaPay acts like the backbone for the fintech operations in Sri Lanka. Even though Bhasha Lanka faced legal obstacles from the Central Bank of Sri Lanka due to the absence of a Licensed Financial Acquirership, they immediately partnered with a prominent Sri Lankan bank, obtaining the necessary financial acquirer license. Overcoming these initial legal challenges, the company managed to activate its legal platform within a span of less than two years. Additionally, they successfully broadened their payment ecosystem by collaborating with numerous banks that adopted the JustPay technology.

Exhibit TN - 1 SWOT Analysis for HelaPay

Strengths	Weaknesses
<ul style="list-style-type: none">• Existing Wider Marketing Channel – Helakuru Super App• Trusted by LankaPay and CBSL• Strong Relationship with Customers	<ul style="list-style-type: none">• Dependency on partners
Opportunities	Threats
<ul style="list-style-type: none">• Presence of unmet consumer financial needs• Rising digital trend in Sri Lanka	<ul style="list-style-type: none">• High Competition from national and international players (Genie, Peoples Pay, VISA, etc)• Cyber Attacks• Government Regulations

Teaching Note

BHASHA LANKA (PVT) LTD: DOMINANCE THROUGH EXPANSION

Ranasinghe, R. S. L. B., Malalage, G. S., Bandara, W.M.H.K., Kannangara, S.D.P.P., Lakmali G.D.E. and Wimalasiri R.K.H.S.⁴ wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations.

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CASE SYNOPSIS

Bhasha Lanka (Pvt) Ltd, a leading SaaS (Software-as-a-Service) provider in Sri Lanka, started as a tech startup and has since achieved significant recognition, both locally and internationally. The company is best known for its core product, 'Helakuru,' a Sinhala and Tamil language keyboard app, which has evolved into a super app integrating multiple digital services. Leveraging its strong brand presence, Bhasha Lanka has expanded into fintech with digital payment solutions aimed at achieving full market penetration among Sri Lankan businesses and vendors.

However, the company's growth faces challenges such as regulatory barriers, economic instability, and consumer reluctance toward digital payments. Despite these obstacles, Bhasha Lanka continues to innovate and strategize to strengthen its competitive position. The case study provides insights into the company's business model, strategy implementation, and market positioning, enabling students to analyze real-world business challenges and strategy execution.

TEACHING OBJECTIVES

This case is suitable for undergraduate and graduate courses in General Management, Strategy, and Digital Business. It enables students to:

- Understand the impact of external and internal environmental factors on business strategy through models such as PESTLE and the Iceberg Model.
- Apply Porter's Generic Strategies framework to assess a firm's competitive strategy.
- Evaluate the challenges and strategic decisions involved in digital product expansion and fintech adoption.
- Analyze the role of leadership and organizational culture in achieving business growth and resilience.

⁴ <https://doi.org/10.17605/OSF.IO/MS8Q5>

READINGS

- Strategic Management. Hunger, David J & Wheelen, Thomas L. 16th Edition. Prentice Hall.
- Strategy and Competitive Advantage. Porter, M. E. (1996). "What is Strategy?" Harvard Business Review, 74(6), 61-78.
- Corporate Culture and Leadership. Schein, E. H. (2010). "Organizational Culture and Leadership." Jossey-Bass.

POSITION IN THE COURSE

Late in the course - As an integrative case to discuss leadership, organizational culture, and regulatory challenges in emerging markets.

TEACHING STRATEGY & SCHEDULE

A structured approach to teaching this case can be followed as outlined below:

1. Pre-Class Preparation (30-45 minutes)

Students read the case and assigned readings. They prepare brief responses to the assignment questions.

2. Class Discussion (90 minutes)

- Introduction (10 minutes): Brief overview of the case and its relevance to course objectives.
- External Environment Analysis (20 minutes): Discuss the PESTLE model and its application to Bhasha Lanka.
- Strategic Positioning (20 minutes): Analyze how Bhasha Lanka employs Porter's Generic Strategies.
- Challenges and Leadership (20 minutes): Explore the internal environment using the Iceberg Model. Discuss the founder's leadership style and organizational culture.
- Fintech & Regulatory Considerations (10 minutes): Examine regulatory hurdles and strategies to overcome them.
- Conclusion & Takeaways (10 minutes): Summarize key learnings and strategic recommendations.

3. Post-Class Reflection (30 minutes)

Assign students to write a short memo on lessons learned and their strategic recommendations for Bhasha Lanka.

ASSIGNMENT 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 Basha 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 feature of the particular strategy.
04. Analyze the strategic pathway to competitive advantage Basha Lanka Pvt Ltd has undertaken, with reference to Porter's Generic Strategies framework.

ANALYSIS OF BHASHA'S CASE

Class Discussion will be segmented into four parts, as is the case with teaching objectives. The case would be followed by an in-depth introduction that would facilitate understanding of the business organization, the core concepts it has been built around and the industry specifics. The introduction would then go on to explain the recent past of the firm and would provide a brief understanding of the current business situation that is being discussed throughout the case.

01. Focus on External Environment and PESTLE Analysis:

The first segment of the case focuses on the external environmental factors that impact Bhasha Lanka's business and how these factors, analyzed under the PESTLE Model, are relevant to their goal of achieving full-market penetration. This section elaborates on each component of the PESTLE model with specific reference to Bhasha Lanka's operational context.

Political Factors

Government Initiatives: Aligning with Bhasha Lanka's vision, government of Sri Lanka actively promotes digital literacy and the adoption of local technology solutions. Policies favoring digital transformation and e-commerce create an enabling environment for SaaS businesses like Bhasha.

Regulatory Environment: The implementation of FinTech regulations such as those set by the CBSL plays a critical role in the scalability of Helakuru's financial services. For example, the "Pay Here" platform's challenges with regulatory restrictions highlight the need for adaptive strategies.

Economic Factors

Economic Instability: Economic crises, inflation and reduced consumer purchasing power can limit the adoption of digital payment services. However, Bhasha can expand its localization strategy to attract diverse economic segments.

Opportunities in Growth Markets: The rise of small and medium enterprises (SMEs) in Sri Lanka creates a significant market for Bhasha's fintech products, especially in underserved areas.

Social Factors

Cultural Adaptation: Helakuru's focus on Sinhala and Tamil languages strengthens its cultural relevance, especially in rural and semi-urban areas.

Digital Literacy: Increasing mobile penetration and government efforts to promote digital literacy offer Bhasha an expanding user base. However, elderly populations may require targeted education campaigns.

Technological Factors

Advances in Mobile Technology: The development of 4G/5G networks and widespread access to smartphones enable the scalability of Helakuru's Super App.

Innovation in SaaS: Bhasha's focus on incorporating emerging technologies such as artificial intelligence (AI), blockchain and payment gateways gives it a competitive edge.

Legal Factors

Data Protection Laws: Compliance with the Sri Lankan Personal Data Protection Act (PDPA) is critical for maintaining user trust. Adopting strong data privacy policies ensures long-term sustainability.

Fintech Frameworks: The CBSL's fintech sandbox enables companies like Bhasha to test innovative solutions while adhering to legal standards.

Environmental Factors

Eco-Friendly Practices: With the growth of global sustainability concerns, digital solutions like Helakuru can be marketed as environmentally friendly alternatives, reducing reliance on paper-based transactions.

Server Energy Consumption: Optimizing server operations and reducing energy usage align with sustainability goals while lowering operational costs.

02. Culture & Internal Environment and Iceberg Model:

The second segment of the case would focus predominantly on corporate culture and the internal environment built around it. The relevancy of internal environment to the business situation in the forms of strengths or weaknesses would foster learner-centric

analysis and the Iceberg Model would be used for the purpose of analysis in this segment, in order to fulfil the respective teaching objectives of the segment.

The model encompasses the following elements.

1. Visible Elements (Above the Waterline)

The visible portion of the iceberg represents the observable aspects of a situation or problem. This includes behaviours, outcomes, and events that are easily noticed and addressed. In organizations, visible elements may include factors such as employee turnover, customer complaints, financial performance, and productivity metrics.

2. Invisible Elements (Below the Waterline)

The bulk of the iceberg lies beneath the waterline and represents the underlying causes, drivers, and dynamics that influence the visible elements. These are often less apparent but have a significant impact on outcomes. In organizations, invisible elements may include factors such as organizational culture, leadership styles, communication patterns, employee attitudes, underlying assumptions, and systemic barriers.

3. Underlying Dynamics

The Iceberg Model emphasizes that the invisible elements drive the visible outcomes.

4. Systems Thinking

The Iceberg Model encourages a systems thinking approach, which involves recognizing the interconnectedness of various elements within a system and understanding how changes in one area can ripple throughout the entire system. Accordingly, the analysis is expected to identify, but not limited to, the following key themes.

- Unique Approach and Mission

Basha Lanka's mission to empower Sri Lankans, particularly outside the Colombo area, showcases a commitment to social impact and regional development. The founder's vision of transitioning from a virtual to a physical space in Kalutara highlights a strategic move to demonstrate success beyond urban centers, potentially tapping into underserved markets.

- Cultivation of Shared Values and Identity

Basha Lanka places a strong emphasis on cultivating shared values and leveraging its brand to attract talent. By incorporating both Tamil and Sinhala into its coding language, Basha establishes a linguistic bridge that reflects inclusivity and cultural diversity. The emphasis on a homegrown culture, distinct from external influences, fosters a sense of individuality and belonging among employees.

- Leadership Style and Organizational Culture

The founder's participatory leadership style, characterized by rejection of traditional hierarchical structures, emphasizes collaboration and shared decision-making. This approach fosters a family-like culture within the organization, with a focus on strong bonds and mutual respect. The use of familial language, such as employees referring to the founder as 'Aiya,' reinforces a sense of closeness and camaraderie.

The founder's commitment to freedom and flexibility in the workplace aligns with the belief that simplicity and autonomy enhance creativity and productivity. The "You Can Be You" philosophy encourages individuality and self-expression, contributing to a positive work environment. Openness, transparency, and humility are central tenets of Basha's organizational culture.

- Resilience and Innovation

Basha Lanka's resilience and commitment to innovation are evident in its pursuit of new initiatives despite facing failures and obstacles. The founder's perseverance in overcoming challenges, such as navigating regulatory restrictions for the 'Pay Here' project, demonstrates determination to adapt and succeed in the face of adversity.

03.Strategic Capabilities and Generic Strategies:

The remaining segment of the case would discuss the current business situation and the unique competitive advantage the organization has built around its products and the brand. The discussion of the background of factors leading to competitive advantage fosters a learner-centric analysis in terms of the organization's competitive advantage. Further, a breakdown of elements or features of the current and proposed generic strategies would be elaborated, fostering an analysis into the model of Porter's Generic Strategies.

Porter's generic strategies are a framework developed by Michael Porter to analyze competitive advantage and strategic positioning within an industry. The framework consists of three generic strategies:

- Cost Leadership

Cost leadership involves becoming the lowest-cost producer in an industry. Companies pursuing this strategy aim to achieve a competitive advantage by offering products or services at lower prices than their competitors, while still maintaining acceptable levels of quality. Cost leadership strategies typically focus on efficiency, economies of scale, and cost minimization throughout the value chain.

- Differentiation

Differentiation involves offering unique products or services that are perceived as distinct from those of competitors. Companies pursuing this strategy seek to create value for

customers through features, attributes, or branding that set their offerings apart. Differentiation strategies often focus on innovation, product quality, customer service, and brand image to justify higher prices and build customer loyalty.

- Focus

Focus strategies involve targeting a specific market segment or niche within an industry. Companies pursuing this strategy concentrate their efforts on serving the needs of a particular group of customers more effectively than broader competitors. Focus strategies can take two forms, namely:

- Cost Focus: Involves achieving cost leadership within a specific market segment.
- Differentiation Focus: Involves achieving differentiation within a specific market segment.

Focus strategies allow companies to tailor their offerings to the unique preferences and requirements of a niche market, often leading to higher profitability and stronger customer loyalty within that segment.

Accordingly, the case identifies that Basha Lanka has followed differentiation strategy based on their innovation and disruptive business model.

- Differentiation Strategy

The expansion from a specialized keyboard service to a multi-purpose platform showcases Helakuru's commitment to innovation and differentiation. By providing a diverse range of digital services beyond keyboard assistance, Helakuru has distinguished itself in the market and built strong brand loyalty among Sinhala-speaking users.

Additionally, the development of innovative products like the 'Sithula' social networking platform and the 'Pay Here' localized electronic payment platform further demonstrates Helakuru's commitment to differentiation through continuous innovation.

- Broad Competitive Scope

Helakuru's competitive scope extends across the total mass market of Sinhala-speaking users. By positioning itself as a reliable and efficient brand catering to the generic needs of this market segment, Helakuru has achieved widespread adoption and become a household name in the industry.

The ambition to achieve universal adoption, even among rural entrepreneurs and the public, reflects Helakuru's commitment to broadening its competitive scope and becoming a dominant player in the digital services landscape.

Teaching Note

DRIVING INNOVATION AND SUSTAINABILITY: INFOMATE SUCCESS STORY

Herath, H.M.N.P, Dissanayake, D.M.U.H., Kethmi, G.A.P, Sudasinghe, S.L., Tennekoon, S.T.M.T, De Zoyza, R.P.S, Ranasinghe, R.A.P.M., Fernando, J.A.H.P⁵ wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations.

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SYNOPSIS

This case study explores the strategic initiatives and challenges faced by Infomate (Pvt) Ltd, a Sri Lankan Business Process Management (BPM) company. Starting as a shared services provider for its parent company, John Keells Holdings, Infomate evolved into one of the top BPM exporters in Sri Lanka. The case highlights how the company leverages innovation, sustainability, and strategic partnerships to navigate a competitive and dynamic industry. Key topics include environmental, social, and governance (ESG) practices, rural BPM initiatives, and technological advancements, providing a platform to discuss business growth, resilience, and sustainability.

LEARNING OBJECTIVES

- Understand the significance of corporate governance and ESG principles in business operations.
- Discuss the challenges and opportunities in implementing sustainability initiatives in rural areas.
- Explore the use of partnerships in fostering inclusive growth and expanding market reach.

POSITION IN COURSE

This case is suitable for courses or modules in:

01. Strategic Management (Undergraduate level)
02. Business Sustainability (Undergraduate level)

⁵ <https://doi.org/10.17605/OSF.IO/CQ4B6>

RELEVANT READINGS

- Porter, Michael E., *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: Free Press, 1998), Chapters 1-3.
- Elkington, John, *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* (Oxford: Capstone, 1997).
- McKinsey & Company, "The ESG Imperative: Why ESG Strategies Are Key to Long-Term Success," accessed January 2025, www.mckinsey.com.

ASSIGNMENT QUESTIONS

01. What drove Infomate to initiate rural BPO centers, and how did partnerships contribute to their 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.

TEACHING PLAN

Ideal Class Duration: 75 to 90 minutes

Discussion Point	Time (Minutes)
Introduction to Infomate	5
Use of partnerships in expansions	15
Industry Background and Challenges	15
Discussion on ESG and Sustainability	15
Opportunities in rural communities	15
Governance practices	15
Conclusion and Key Takeaways	10

ANALYSIS

01. What drove Infomate to initiate rural BPO centers, and how did partnerships contribute to their success?

Infomate's initiative to establish rural BPO centers was driven by its commitment to ESG principles and the desire to promote inclusive growth. Collaborations with the John Keells Foundation and FARO facilitated access to resources and expertise, enabling the successful establishment of centers in Mahawilachchiya, Seenigama, and Jaffna. These initiatives empowered rural communities through digital literacy and employment opportunities.

02. What challenges do companies face in promoting sustainability and social inclusion in rural areas?

Key challenges include limited infrastructure, lack of access to renewable energy, and the need for continuous talent development. Overcoming these barriers requires innovative approaches, strategic partnerships, and investments in education and technology.

03. How do Infomate's environmental sustainability initiatives align with its business objectives and ESG principles?

Infomate integrates energy-efficient technologies, waste management programs, and sustainable transportation methods to minimize its environmental footprint. These efforts align with its goals of operational efficiency, cost reduction, and fostering a positive brand image.

04. Discuss the significance of vocational training and employment opportunities in rural communities.

Infomate's rural BPO projects provide youth with valuable skills and job opportunities, contributing to economic independence and community development. Initiatives such as vocational training programs and partnerships with local organizations play a critical role in this process.

05. Evaluate Infomate's governance practices to ensure transparency and accountability.

Infomate's governance framework emphasizes robust compliance mechanisms, stakeholder engagement, and ethical conduct. Regular evaluations of project outcomes and adherence to regulatory requirements are key practices that enhance its accountability.

06. How does Infomate utilize Information Systems to achieve operational efficiency and innovation?

Infomate employs advanced technologies such as robotic process automation (RPA), artificial intelligence (AI), and cloud computing to streamline operations and deliver innovative solutions. These systems enhance decision-making, reduce costs, and support global expansion efforts.

WHAT HAPPENED

Following the initiatives discussed in the case, Infomate successfully expanded its client base and strengthened its position in the BPM industry. Accordingly, its rural BPO centers continue to create significant social and economic impacts, while its focus on innovation and sustainability ensures long-term growth and resilience.

Teaching Note

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

Devadas, U.M., Gunasekara V.M, Edward R. and Ekanayake H.L⁶ wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations. 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 *HSY Lanka Ltd.* is one of the oldest and the largest pharmaceutical companies established in Sri Lanka since 1930s that has been transforming strategically its operations, management, structure and ownership time to time. The *DAK Plant* of HSY Lanka Ltd. was an exemplary case for the successful implementation of quality tools and later became an outstanding story of a strategic shutdown that provides us with critical strategies in quality implementation and business shutdown and how to manage people issues in such transitions.

CASE SYNOPSIS

HSY Lanka Ltd. Has been transforming rapidly from time to time and one such transition was to shut down one of its plants that had a successful story of implementation of quality management tools due to a major strategic move of the mother company of HSY Lanka Ltd.

The HSY Lanka Ltd. company implemented a Japanese management practice including 5S methodology especially with the view of enhancing operational efficiency and effectiveness and instil a culture of continuous improvement. Despite the initial resistance, the company leadership successfully aligned techniques. This cultural shift led one of its plants, the DAK plant, to achieve industry recognition and operational excellence and exceeded the global efficiency benchmarks.

However, in 2018, as a part of the company's global restructuring strategy, HSY Lanka Ltd. decided to shut down the DAK plant that had the most successful story of quality implementation. Unlike many other corporate closures that face resistance, the company prioritized certain people aspects such as transparency, trust, and employee welfare.

⁶ <https://doi.org/10.17605/OSF.IO/HXBP6>

Employees were informed a year in advance, offered certain financial packages and career development opportunities, and encouraged open communication especially throughout the transition. During the process of this shutdown, the anticipated backlash never materialized. Instead, the workers displayed professionalism and loyalty until the very last day. The DAK plant's closure became a benchmark for responsible change management, showcasing how cultural transformation and strategic decisions, when handled with integrity, can leave behind goodwill compared to hostility.

LEARNING OBJECTIVES

Both the undergraduates and the graduates can use this case especially in the subject disciplines such as General Management, Strategic Human Resource Management, Change Management, and Total Quality Management. This enables students to,

- examine the implementation of a productive Total Quality Management Tool (TQM) such as 5S concept in organizations.
- analyse the significant challenges faced, embedding a quality management system into organizational culture and the way that they have been addressed.
- identify the nature of organizational change and its alignment with strategic business decisions.
- explore the impact of leadership, communication and transparency in managing workforce transitions during organizational change.
- discuss the key outcomes of quality management implementation and strategic restructuring in shaping long-term organizational performance.

POSITION IN COURSE

This case can be used in modules such as implementation strategies of Total Quality Management (TQM) tools, managing change management projects, and how to strategize people solutions in HRM in the case of business shutdown at the undergraduates and postgraduate levels.

RELEVANT READINGS

- Luthra, S., Garg, D., Agarwal, A., & Mangla, S. K. (2021). *Total quality management (TQM): Principles, methods, and applications*. CRC Press.
- James R. Evans and William M. L. (20220). *Managing for Quality and Performance Excellence*, pp. 45-78, Boston: Cengage Learning
- Harvard Business Review. (January 31, 2025). *How to Lead Through Change*. Retrieved 03rd January 2025 from: <https://hbr.org>.

CASE STUDY 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?

TEACHING PLAN

This case is well-suited for a class session which spans across 90-120 minute which at the same time allows students to critically analyze the disciplines such as Total Quality Management (TQM), change management, and people management strategies in SHRM courses, and lessons on organizational change and development through structured discussion.

This case discussion is designed to span various aspects of quality and change management within the company, covering a total duration of 120 minutes. First, students are allowed to read the case well during a specified time of 20 minutes. Then the session begins with a 5-minute introduction to set the stage by outlining key themes of the case study. The discussion then progresses to five assignment questions. The first question (15 minutes) explores how the company implemented the 5S TQM tool and the challenges faced during its adoption. The second question (25 minutes) examines the strategies used by them to embed TQM into its organizational culture and how they ensured its sustainability. The third question (25 minutes) focuses on the type of organizational change that occurred, and the leadership approaches used to manage the transition effectively. The fourth question (15 minutes) delves into how the change process unfolded, particularly during the plant's closure, and highlights the importance of transparent communication. Finally, the fifth question (15 minutes) evaluates the outcomes of TQM implementation and the strategic plant shutdown, assessing their impact on both employees and the organization.

DISCUSSION 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?

It is important to understand what Total Quality Management (TQM) is when implementing the most appropriate quality management tool. In other words, TQM is a philosophy and a set of guiding principles that represent the foundation of continuous improvement. It can be identified as the art of managing the whole to achieve excellence. TQM is a combined effort of both top-level management as well as employees of an organization to formulate effective strategies and policies to deliver high quality products which not only meet but also exceed customer satisfaction. It concerns on quality over quantity, thus aims specially on process excellence and excel in current way of doing business. Organizational development can be achieved through TQM. This can be ensured by practicing models introduced as TQM approaches.

TQM helps organizational development through a number of methods including TQM models practiced by organizations as a structured framework for operations, which help achieve organizational excellence and performance.

Some of the TQM models are discussed here below.

1. Kaizen Model

Kaizen Model concerns continuous improvement. The Kaizen principle of continuous improvement focuses on the gradual enhancement of a process, product, or service of the organizational setting. (Kaizen Institute, 2025). This ensures that the organization continually strives to become better and more efficient. By concentrating on making improvements step by step, companies can rapidly/swiftly make significant changes to their operations and continuously improve the quality of the end result.

Kaizen model contributes to organizational development through employee empowerment through encouraging employees to participate in identifying and solving problems, waste reduction etc. These help in minimizing waste (time, materials, energy), improving process efficiency and developing organization through enhancing agility and adaptability of organizations which makes organizations more responsive to market and operational challenges. Thus, the organizational development is achieved by identifying problems and improvement opportunities in processes and systems, developing solutions, testing and experimenting with these solutions, and then making necessary adjustments based on feedback from the experiments.

2. Six Sigma Model

Six Sigma model in TQM concerns improving quality through an organized and systematic method for process improvement. This model relies basically on statistical methods and the scientific method to make dramatic reductions in customer-defined defect/error rates. While Six Sigma focuses on reducing process variation and enhancing process

control, lean concept drives out waste (non-value-added processes and procedures) and promotes work standardization and flow which reduces defect levels of the processes. Six Sigma implementation includes defining products and services, identifying customer requirements, comparing the product with customer requirements, describing and improving the processes, measuring quality and productivity that ultimately helps in organizational success. Six Sigma contributes in organizational development through defect reduction, improving process reliability, and making data drives decisions which facilitates successful organizational decision-making process, and saving costs through process optimization and waste reduction and elimination.

3. ISO 9001

ISO, the International Organization for Standardization, introduced ISO 9001:2015, a quality management standard which has been practiced in businesses worldwide. It ensures organizations consider quality management systems and quality measures in business processes. (International Organization for Standardization, 2009) It introduces seven (7) key quality management principles for organizations as; customer focus, leadership, engagement of people, process approach, improvement, evidence-based decision making and relationship management which will enhance operational efficiency. Ultimately, the business success through quality management on the overall, or consider organizations in quality management and quality control as a whole.

4. Ishikawa Diagram – Cause and Effect Approach

Ishikawa Diagram is created with the goal of identifying and grouping the causes which generate a quality problem. (Ciocoiu, C. N., & ILIE, C., 2010) It's a quality control tool that has been majorly used/ predominantly used in problem solving. Ishikawa or the Cause-and-Effect Diagram is a visual tool that assists organizations in identifying root causes for problems they face in a situation concerning all major aspects of the problem state. Ishikawa diagram helps in identifying root causes, improve processes, brainstorm solutions and help understanding employees' roles in solving the causes. Cause and effect diagrams can be widely used in product designing, quality defect prevention, project management, troubleshooting, process improvement, and customer service which will increase organizational growth and development by cost reduction, quality control and risk management in organizational investment activities and major operational activities.

5. Statistical Process Control (SPC)

SPC is a set of tools for managing processes and determining and monitoring the organization's output quality. (Qiu, 2019) It is also a strategy for reducing variation in products, deliveries, processes, materials, attitudes and equipment. The question to be raised continually is 'Could we do the job better? SPC concerns monitoring manufacturing processes with technology that measures and controls quality. This helps to ensure that the process operates efficiently, producing more specification-conforming products with less or no defects which is with higher quality. Some SPC approaches can be introduced as Benchmarking, Pareto Diagram, Cause and Effect Diagram etc. Organizations that practice SPC can ensure the process efficiency to maintain and improve productivity, that will gain development opportunities such as competitive advantage, quality products,

reduced costs and engaged processes.

6. Taguchi Method

Introduced by Japanese engineer and statistician Genichi Taguchi, Taguchi method of quality control is an approach to engineering that emphasizes the roles of research and development, and product design and development in reducing the occurrence of defects and failures in manufactured goods to create efficient, reliable products. Companies such as Toyota, Ford, Boeing, and Xerox have adopted this method for quality control and ultimately organizational development through reduced costs associated with defects and repairs, and failure in projects as well as improving overall process success. Organizational development, thus, can gain from design optimization, cost reduction, efficient experimentation, improved reliability, faster problem solving, improved product quality, and efficiency in process optimization.

Concerning this case, the company implemented another most effective quality management tool which is 5S.

5S Concept

As one of the most renowned Japanese philosophies, 5S is a well-known quality enhancing method practiced by the society at large. The usage of 5S concept can be seen not only in every kind of organization because of its ease in usage and practicability in initiating. 5S includes 5 main branches that concerns quality management as Seiri (Sorting Out), Seiton (Systematic Arrangement), Seiso (Sweep and Shine), Seiketsu (Standardizing), and Shitsuke (Self-discipline). 5S is used as a TQM approach concerning both in overall organizational management as well as the self-management of each employee. 5S helps in reducing waste, improving organizational efficiency and productivity as well as improving safety and morale within the employees.

5S Implementation mechanism

In the DAK Plant, they successfully implemented the 5S methodology as a TQM tool with the view of enhancing the operational efficiency and nurturing the workplace culture positively. They systematically involved in education the people, encouraging the teams to take part in the process, identifying the shortfalls and problems in the process, building the management and employee commitment at right stages, being enthusiastic for trouble shooting, getting team members' ideas for improvements, strategically implementing methods for cultural innovation for quality practices and behaviour, leading for change by getting appreciations in the global teams, and making efforts to sustain the newly developed status of culture and operational excellence. In this case, training employees, conducting internal quality audits, and participating in industry competitions to benchmark progress are effective measures taken by the DAK plant. The initiative taken to sustain 5S, the monthly internal competitions and innovative motivation strategies such as publicly marking the lowest-performing department by hanging a 'green ball' in front of the lowest performing department/team can be identified as innovative initiatives

Challenges faced in the process

The main challenges the DAK plant faced are the employees' initiation resistance, difficulty in embedding the 5S culture, sustaining the long-term adherence, and notably instilling a quality culture to engage people to practice the new initiatives. While employees initially had technical knowledge, aligning behaviours with maintaining consistency required continuous engagement and leadership efforts. Through employee training, competitions among departments and teams to promote quality culture, and leadership commitment paved the way for the DAK plant to be successful in its quality management endeavour that enhanced operational effectiveness, efficiency, safety and recognition.

However, it is worthwhile noting here that some associated problems also can be seen in general in such TQM implementation process as discussed in the proceeding section.

TQM implementation related problems and challenges

1. **Implementing TQM Systems** – One main problem or challenge when implementing TQM systems is resistance to change. Employees as well as the management is unwilling to adapt new technologies and going beyond the traditional methods, losing control, and cultural change shocks may produce resistance. Another problem or challenge is the cost in implementing TQM systems. Higher costs, risky investments may become challenging, and the organization's financial struggle may have a direct impact on the initial implementation process. Lack of leadership, poor communication and a lack of employee involvement may hinder implementation efforts of the TQM system, thus may affect the quality of the company even from the beginning.
 - **Knowledge on TQM** - Knowledge on TQM is important both for implementing and continuing the TQM systems. Lack of knowledge on TQM principles and approaches, concerning only on quality control and moving with a narrow concept than the total quality approach may hinder TQM efforts. Inadequate trainings on TQM are another problem as the employees, or the management need to improve knowledge while the organization is improving its TQM systems.
 - **Sustaining TQM Practices** - Loss of momentum over time and lacking continuous improvement mechanisms is a major problem/ key issue to sustain TQM practices of the organization. Organizational culture may also affect the sustaining of TQM systems as the company culture may fail to integrate TQM to its everyday work. Also, the external effects such as change in customer preferences, customer base, technological advancements and internal cost cutting measures may also affect the company's ability to sustain TQM efforts.

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?

In general, when implementing a quality management system, a company needs to go through a major transition by going hand with a change management initiative. The implementation of a quality management system includes few steps that a company should initiate and adhere to. For a TQM system to be both successful and to be effective, it should align and integrate with the organizational culture. In embedding TQM to the organizational culture some key criteria's needs to be concerned and practice such as;

- **Leadership Commitment** – Leading by example, the organizational leaders should make clear visions and goals that are quality focused and communicate it within the organization, making quality a part of the organizational culture. Allocating resources and encouraging accountability is a part in embedding TQM to the organizational culture.
- **Communication and Transparency** – Clear communication and transparency in TQM helps organization align its culture to the TQM system where quality policy, objectives, quality meetings, and open feedback are motivated.
- **Culture of Accountability** – It is important for the employees to take initiatives, ownership and responsibility in their activities. A culture that motivates can gain benefits when TQM is aligned to its culture and to maximize pride in quality work.
- **Continuous Improvement** – Continuous improvements is a major area to be concerned when embedding TQM to the organizational culture. Measuring quality performance by data driven methods such as key performance indicators (KPIs), benchmarking against industry best practices, adapting and motivating innovation, and having regular internal and external audits helps maintain sound cultural balance and adapt to both internal and external cultural shocks.

Based on this and as mentioned previously, regarding the quality initiatives of DAK plant, there had been a properly embedded 5S into its culture especially by shifting the worker-mindset from a mere compliance to ownership and continuous improvement. Leadership emphasized that 5S is not a mere technical tool but a factor which transforms a culture which requires active participation from all the workers, especially the blue-collar workers. To instill this mindset, the department leaders were trained on both the technical aspects of 5S and its cultural significance. They faced one of those major challenges, which is the 'resistance to change, as employees initially did not have sufficient motivation to fully embrace 5S beyond basic implementation. To overcome this, they introduced monthly internal competitions to foster engagement and publicly recognized top-performing teams. The green ball strategy which focused on marking the lowest-performing department created a sense of accountability and a friendly competition, pushing the employees to actively maintain 5S standards. By integrating TQM as a part of their daily operations, integrating Kaizen and Kanban, and reinforcing continuous learning through training and benchmarking against industry peers, the DAK plant successfully embedded disciplined, quality- driven culture that sustained itself beyond leadership mandates. The transformation was evident when the employees took pride in their work environment, leading to operational excellence and recognition at the industry

level.

03.What type of organizational change occurred at the DAK plant, and how did leadership manage the transition effectively?

Herein, it is important to focus on the Change Management aspect. At the heart of navigating a business transition lies effective change management. It ensures that the process is well-handled with foresight, empathy, and strategic planning. Central to this attempt is the human resource (HR) department, which plays an indispensable role in managing the human side of such change. From communication to rationale behind the shutdown to assisting people through the transition while ensuring compliance with the legal framework, the HR's involvement is essential.

According to the change management guide developed by Ryerson University (2011), the changed management is defined as a “structured approach to transitioning individuals, teams, and organizations, from the current state to a desired future state to fulfil or implement a vision or a strategy. It is an organizational process aimed at empowering employees to accept and embrace changes in their current environment” (as cited in Laig, Ferdinand & Abcocejo, 2021). According to Stobierski (2020), organizational change implies broadly to the actions that the businesses take to change or adjust/modify a significant component of its organization. This may include different components such as the organizational culture, internal processes, underlying technology or infrastructure, corporate hierarchies, or any other important factors. Moreover, the society of Human Resource Management (2007), interpreted the change management as a formal process of organizational transition, which has a methodological approach while applying the knowledge (as cited in Laig, Ferdinand & Abcocejo, 2021). There are two main types of organizational changes.

01. Adaptive change: Adaptive changes are small and incremental changes that the organizations adopt to address the needs which evolve over time- Millar (2020).
02. Transformative change: Transformative changes make transformational shifts in the organization. Thus, these can be identified as larger in scale and scope than adaptive changes. As mentioned, this includes some major changes such as shifts in mission, strategy, structure, performance and processes- Millar (2020).
03. Strategic change: This is about the adjustment in an organization's overarching goals, purpose, or mission which align with the external environmental conditions or internal priorities. This may include new markets or redefining the organization's value proposition.
04. Structural change: This involves the modifications to the organization's hierarchy or reporting relationships often resulting from growth, downsizing, or reorganization efforts.
05. Technological change: Herein, it focuses on situations which include the implementation of new technologies to enhance efficiency or effectiveness. This includes adopting new software systems, automating processes, or upgrading equipment.

- 06. Cultural change: This involves a significant change in underlying beliefs, values or norms within the organization. This can also include certain initiatives such as fostering inclusivity, collaboration or innovation among employees.
- 07. Operational change: enhancements to the daily processes and workflows to improve the performance such as refining production methods or optimizing supply chain logistics.
- 08. Unplanned change: This is about the unexpected alterations necessitated by unforeseen events such as natural disasters, economic downturns, or sudden market shifts. Organizations must respond to manage these changes effectively.

The DAK plant seems to implement such significant transformational-organizational change especially by examining its impact on both the structural and human elements within the organization. Also, it is imperative to explore certain change management models as well. Initially, it has been incremental change, later with the development of quality culture the DAK plant had initiated a transition and then a transformation in the group as well.

Kurt Lewin's Three-Stage Model

This model is well-suited in managing organizational shutdowns because it focuses on addressing resistance and facilitating psychological transitions. Leaders can access this, especially due to its simplicity and clarity. By focusing on creating an awareness, managing the core change, and embedding the change, Lewin's framework aligns with the human and operational complexities of a business closure.

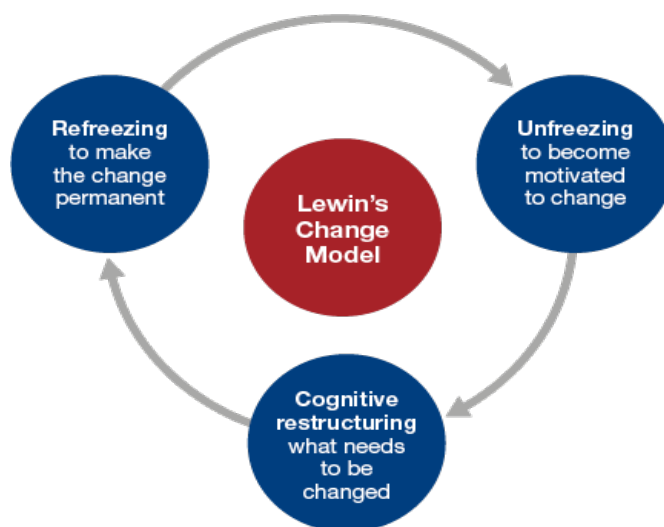


Figure 1: Kurt Lewin's Three-Stage Model

This model is a foundational framework in change management which encompasses three main stages: unfreezing, change or the transition, and refreeze. This model serves as a guide for planned organizational change offering simplicity and flexibility to adapt to various business scenarios including the complex process of business shutdown.

Stage 01: Unfreeze

This stage involves preparing the organization for the change by challenging the status quo and addressing resistance to change. Regarding the business shutdown, this initial stage mainly focuses on creating an awareness among the organizational stakeholders. It

is imperative to communicate the reasons behind the closure clearly and transparently, to minimize the uncertainty and to build trust. As indicated by Errida and Lotfi (2021), addressing such resistance promptly through open communication and engagement strategies can significantly improve the acceptance of change. Herein, the HR plays a pivotal role by organizing town hall meetings, offering counselling services, and providing platforms for workers to raise their concerns. Such efforts not only assist the workforce to prepare themselves for transition but also assist to mitigate the distress that can occur emotionally and psychologically.

Stage 02: Change (Transition)

Herein, it talks about the transition from the existing state to the desired state whereas in this case, the operational and structural adjustments necessary for the business shutdown. During this transition, organizations execute certain actions such as ceasing operations, liquidating assets, and ensuring legal and financial compliance. Employees must be supported through this period of uncertainty. Regarding the role of the HR departments, they are responsible for providing severance packages, career transition services, and upskilling opportunities to assist the employees move forward. As indicated by Errida and Lotfi (2021), again the communication and the support networks are vital during this transition to reduce resistance and foster cooperation. Moreover, it requires both strategic execution and compassionate approach to minimize the negative impact that it can have on employees.

Stage 03: Refreeze

Here, it focuses on stabilising the organisation and ensuring the changes are embedded. Especially for a business shutdown, this means completing closure activities, such as fulfilling legal obligations and addressing residual issues. It is also a good opportunity to celebrate the organizational legacy/corporate legacy and provide an emotional closure for the employees. In this setting, HR plays a vital role in documenting the lesson learned, following up with worker post-transition and offering continued support where necessary. Refreezing ensures that all stakeholders can move forward with a sense of resolution and that transitions benefit from the gained insights.

The DAK plant had successfully implemented the three stages in both cases of implementing quality measures and in the case of its strategic shutdown. They had initially educated and made the relevant parties ready for the change, continually discussing the issues, finding strategies for cultural development towards a quality culture and creating a mindset for people to accept the strategic shutdown, and sustaining the new state of development by sharing the right information and communicating with the employees on the progress they made. Further, the initiatives to be taken to develop a healthy mindset of people to accept the shutdown is attractive. The open communication, building trust about the management by the management's negotiations with the mother company to win the maximum benefits for people, and providing help for people for their next career etc. are enticing.

Kotter's 8-Step Model

Kotter (2012) revealed that nearly 70% of the organizational initiatives fail mainly due to businesses not adopting the comprehensive strategies that are critical to achieving desired organizational outcomes. At the core, many organizations fail especially to approach change holistically, which is critical for successful implementation. To increase the likelihood of success, the companies should nurture their capacity for change. Based on extensive research, Kotter (2012), developed the eight-step process for leading change, which has proven to be instrumental in helping organizations navigate a constantly evolving environment. This process is widely regarded as an adaptive and effective approach, which can be used to navigate necessary organizational transformation (as cited in Laig & Abocejo, 2021)

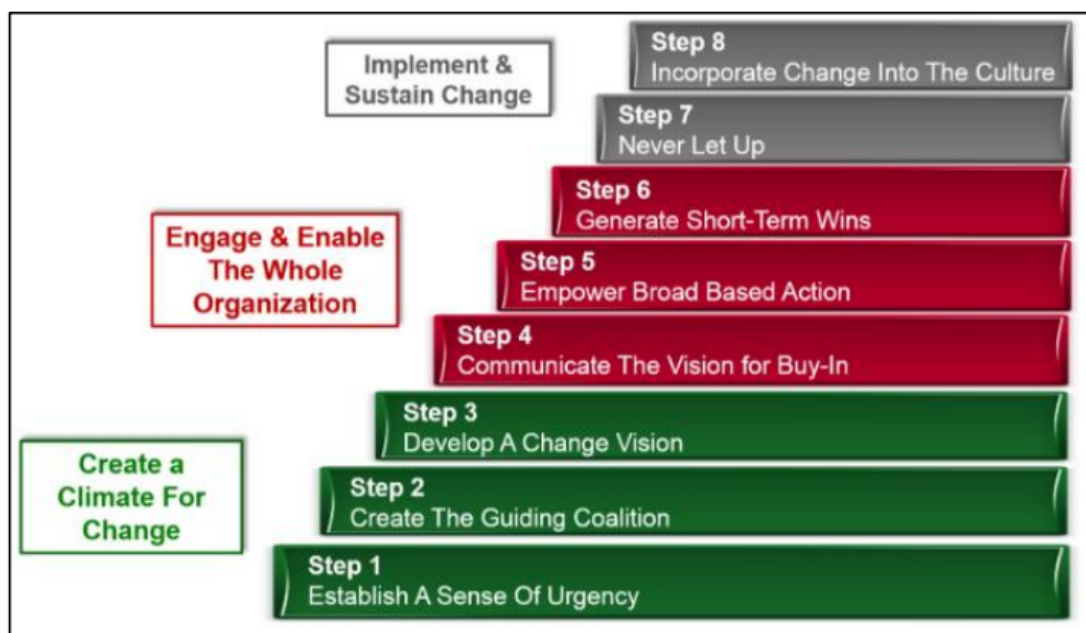


Figure 2: Kotter's 8-Step Change Model, (Source: Laig & Abocejo, 2021)

John Kotter's model is a step-by-step framework that ensures a comprehensive process of managing organizational change. In the case of a business shutdown, the steps can be adapted as follows,

- I. Create a sense of urgency: Herein it stresses the importance of communicating clearly the financial or operational reasons for the shutdown to all stakeholders to foster understanding and acceptance of the change.
- II. Building a guiding coalition: Integrating diverse team leaders and HR professionals who can win the transition of the business shutdown process while providing consistent messaging is another critical step under this model. Herein it aims to cultivate the team effort for the right direction and vision, the organization's 'change teams' are formed (Laig & Abocejo, 2021)
- III. Develop a clear vision and strategy. Herein it defines a clear roadmap for the ongoing change of business shutdown. Detailing timelines, severance policies, and support programs for the people at work. According to Laig & Abocejo, (2021), as defined by Kotter (2012), a clear vision is characterized by key elements including, 'imaginable, desirable, feasible, focused, communicable'.

- IV. Communicate the change vision: The sole purpose of this step is 'buy-in' (Laig & Abocejo, 2021). Herein it can use multiple channels such as meetings, emails and one-on-one conversations to ensure that the workers fully understood the vision and their role in the transition.
- V. Empower broad-based actions: Remove obstacles, such as misinformation or resistance to change by addressing concerns and providing resources.
- VI. Generate short-term wins: Herein it highlights the celebration of milestones as if completing initial steps to improve the ongoing business process and maintain focus. It was stated that the short-term wins always serve as motivators for employees as well as a signal that the undergoing change initiative encompasses a positive effect (Laig & Abocejo, 2021).
- VII. Consolidate gains and produce more change: It is not important to utilize the lessons learned from the initial steps to improve ongoing processes and maintain focus.
- VIII. Anchor new approaches in culture: Finally, it is important to document and integrate insights from the shutdown to guide future organizational strategy. Laig & Abocejo, (2021) indicated that it is vital to have continuous information of the honest results of the occurred change.

DAK plant had aligned its change mission to the Kotter's eight steps model as well as the management had taken initiatives initially to create a climate for new change initiative by educating the people, then testing strategies to engage the whole plant and people, and then striving to sustain the new momentum by giving recognition for the plant and people among the global group.

ADKAR Model



Figure 3: ADKAR Model

ADKAR model focuses on the individual transitions and is particularly effective in managing the human side of a business shutdown. It is about - raising **Awareness** about the importance of the shutdown through transparent communication, building **Desire** among the workers to engage in the change process by offering incentives such as severance packages and career counselling, and providing **Knowledge** through workshops on job searching and sufficient financial support for the workers. It further ensures the **Ability** by equipping the workers with tools, training, and ongoing support

and finally, **Reinforcing** the change through continued assistance, such as networking events, alumni programs.

In the case of the DAK plant, the HSY Lanka Ltd. Had taken change initiative represents a transformational change, as it has a major strategic shift concerning the company's operations which significantly impacts both structure and workforce. This change was driven by its global strategy, a point where the company decided to exit the nutrition business and focus entirely on pharmaceuticals, leading to the strategic shutdown of the plant.

To manage the transition effectively, the DAK plant's leadership prioritized transparency, trust and the worker support:

- Early communication and trust building – unlike in typical plant closures where employees are informed at the last moment, the Managing Director decided to inform employees a year in advance, allowing them to prepare for the transitions.
- Employee centered approach – The company provided financial packages, career development training and financial management workshops to assist the workers to plan their future.
- Strong change leadership and stakeholder engagement – the HR team and the leadership ensure open communication, allowing the workers to express their concerns. When the global team visited expecting resistance or protests, the workers instead chose to trust the local leadership and work through the transition collaboratively.
- Sustaining productivity and professionalism- Despite the impending closure, the workers maintained peak productivity until the final days, demonstrating the effectiveness of leadership in ensuring a smooth transition without conflict.

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?

An exploration about the change process is important. It was a strategic transformational change aligned with the company's global restructuring strategy. Following are the generic core five (05) critical steps in the change management process,

01. Prepare the organization for Change: The change process begins by making an awareness about the need for change. This involves communicating the reasons behind the change and building a sense of urgency among the stakeholders to get their support.

In case of DAK plant, the leadership prioritized early communication especially by informing the workers one year in advance about the closure as mentioned. Unlike in many corporate shutdowns where the workers are left uncertain until the final moment, the management of the company was able to create an awareness and build urgency around the need for change, while minimising resistance by allowing

the workers to prepare themselves, both emotionally and financially.

02. Craft a vision and plan for change: Thereafter, developing a clear vision that outlines the desired outcomes of the change is essential. This vision should be accompanied by a strategic plan detailing the steps required to achieve it including timeliness, resources and key performance indicators. Concerning the selected company, they had a clear vision on the business operations and about their structured plan on managing transitions. They ensured transparency about the communication about the reasons for closure. They structured severance packages and alternative career training programs and financial management workshops to help employees to effectively manage their compensation.

03. Implement the change: This is about executing the plan by enacting the necessary changes. This may involve restructuring process, adopting new technologies or altering organizational hierarchies. It is critical to manage this phase carefully to minimize disruptions. During this phase, DAK plant ensured that operations continued smoothly until the last day by engaging the workers in open dialogue to address concerns, provided career development support to help employees transition into new roles, and ensured the leadership remained accessible.

04. Embed the change: Ensure that the changes are integrated into the organization's culture and practices. This can be achieved through continuous support, training and reinforcement to prevent regression to old/existing habits. Rather than treating the closure as a sudden, or any sort of an isolated event, company embedded the change into its organizational culture especially by encouraging a professional, disciplined approach to the transition also by recognizing employees' contributions and maintaining relationships post-closure. They also assured the sustainability of the trust and goodwill while ensuring former employees continued to speak positively about the company even after its shutdown.

05. Review and refine: After implementation, assess the effectiveness of change by gathering feedback and measuring outcomes against the set or objectives. It can be recommended to use this information to make necessary adjustments and to inform future change initiatives. At the DAK plant, even after the plant shutdown, its leadership continued to monitor the impact of change ensuring that employees had properly transitioned to new careers, received fair compensation and financial security, and maintained positive engagement with the company. By ensuring such a smooth exit process and maintaining relationships, the company was able to fulfil this final step.

05. What were the main outcomes of the two main change initiatives taken by the DAK plant in the implementation of TQM process and the strategic shutdown? How did they impact both employees and the organization?

The DAK plant transformation went through two significant changes.

01. Implementation of TQM through the 5S methodology to improve the operational efficiency.
02. Strategic shutdown of the plant as a part of global restructuring.

Notably, each of these changes had major outcomes impacting both employees and the organization.

In general, there are many positive outcomes of TQM implementation.

- Thus, as discussed, TQM models help organizational development by fostering a culture of continuous improvement, customer focus, and employee involvement. Some of the benefits that TQM gains in organizational growth and development can be simply discussed as below.
- **Improve Product and Service Quality** - TQM concerns quality at every stage of production or service delivery process, leading to fewer defects, enhanced quality and higher customer satisfaction. Hence, it ensures consistency in processes and outcomes, which builds trust and reputation that ultimately supports organizational development.
- **Enhance Customer Satisfaction** - By focusing on customer needs and expectations through TQM approach, organizations can improve their products/services to better meet market demands. This creates a satisfactory customer base which lead to increased loyalty, referrals, and market competitiveness.
- **Boosts Employee Engagement and Morale** - TQM encourages employee involvement in decision-making and problem-solving, leading to higher job satisfaction. Employees feel valued and take ownership of their work, which enhances productivity and reduces turnover which increases organizational outcomes.
- **Increase Efficiency and Productivity** - Streamlined processes, waste reduction, and better resource utilization that is practiced through TQM models helps in improving overall process efficiency. Continuous monitoring and feedback help identify inefficiencies and eliminate them proactively enhancing overall organizational productivity and development.
- **Innovation and Continuous Improvement** - TQM promotes a culture where employees are encouraged to suggest and implement innovative solutions which ensure leads in turbulent market conditions and continuous success. Continuous improvement: through Kaizen model, leads to incremental advancements that keep the organization competitive in the industry.
- **Reduces Costs and Waste** - A focus on quality reduces rework, returns, and warranty claims, saving costs in the long run. Efficient processes lead to reduced material and operational waste which ultimately reduce organizational indirect and hidden expenditures.

- Enhances Organizational Agility - With a strong focus on process improvement and customer feedback, organizations can quickly adapt to changes in market conditions or customer preferences. TQM helps build resilience in the face of competition and market fluctuations.
- Improve Compliance and Risk Management - TQM helps organizations adhere to industry regulations and standards, reducing legal and regulatory risks. Proactive quality management minimizes the likelihood of product failures and reputational damage.

In the case of the DAK plant, the main outcomes of the TQM implementation through the 5S methodology involve the followings,

- I. The implementation of 5S streamlined workflows, eliminated waste, and improved productivity.
- II. A more organized and clean work environment reduced risks and ensured compliance with quality standards.
- III. Employees embraced the 5S culture, leading to a shift in behavior, ownership and discipline.
- IV. The DAK plant won the first place in industry-wide 5S competitions, setting a benchmark for operational excellence within its global network.
- V. Moreover, there is an increased engagement and accountability
- VI. Higher job satisfaction
- VII. Greater innovation through goal setting. Herein it is noteworthy that the introduction of internal competitions and accountability measures such as the green ball system for low performers pushed teams to improve.

This can be related to the Locke's goal-setting theory.

In the context of motivating the workers by using underperformers as a benchmark, this theory offers some valuable insights. This theory posits that setting specific and challenging goals can boost the worker motivation and the overall performance. By highlighting underperformance, the managers can establish clear performance benchmarks, encouraging employees to strive for improvement. However, it is crucial to approach this strategy with caution, as focusing solely on underperformance may lead to stress or decreased self-efficacy among the workers. Thus, while Goal-setting theory supports the use of performance benchmark, it is essential to balance this approach with positive reinforcement and support to maintain employee motivation and well-being. According to the goal-setting theory, the workers perform better when they have well-defined objectives and a sense of competition. The green ball system served as a tangible performance metric, pushing the teams to improve and ensure consistent adherence to the 5S methodology. Over time, this led to increase efficiency of this company, while improving the workplace discipline, and ultimately, industry-wide recognition for excellence in implementation of 5S.

- Strengthening its brand reputation as the success of 5S positioned them as a model for TQM excellence.
- Embedded a culture of continuous improvement

Main outcomes of the strategic shutdown of the DAK plant as a part of global restructuring,

- I. Conflict-free transitions at the company as they avoided protests and disruptions due to trust and transparent communication.
- II. They prioritized employee well-being through financial packages and career transitions programs and the financial management workshops such as sustained productivity until final day and with a lasting organizational goodwill.
- III. Their strategic, employee-centred approach prevented sabotage, legal disputes, or resistance.
- IV. Reinforced a reputation for ethical change management as they became a benchmark case for responsible plant closure, balancing business needs with employee welfare.

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Teaching Note

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

Udovita V. D., Hewapathirana N. T., Fernando A. L., Munasinghe A., and Dissanayake D. M. R⁷ wrote this teaching note as an aid to instructors in the classroom. The authors do not intend to illustrate effective or ineffective handling of managerial situations.

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SYNOPSIS

The story of Kelani Cables is one of perseverance, inventiveness, and an unwavering dedication to excellence. During Sri Lanka's regulated economy, Kelani Cables was founded in 1969 by Mr. P.A.P.A.B. Wijegunawardhane, and Mrs. C. Wijegunawardhane became a shining example of excellence in the wire drawing sector. The brand's launch signified a significant shift in the country's cable manufacturing sector and was inspired by Kelaniya's stability and rich history. After starting small in Kiribathgoda YMBA with 12 employees running a single extruder, Kelani Cables swiftly grew and established a cutting-edge plant on the grounds of Kelaniya Wewalduwa. High-quality electric cables, conductors, and enameled winding wires that meet strict national and international requirements were produced due to the company's commitment to meeting changing client needs.

Over the years, Kelani Cables has faced hardships/difficulties and ownership changes, but it has never wavered in its dedication to providing unmatched quality and dependability. The brand's longstanding tradition in the business is demonstrated by its stellar reputation for quality. In this case study, we examine Kelani Cables' incredible journey from a brand of hardcore tech products to a symbol of emotional equity deeply embedded in Sri Lanka's industrial scene.

LEARNING OBJECTIVES

At the end of the session, students should be able to,

- Examine the elements of the brand equity model, and its application for real-world brands.
- Explain through-the-line advertising methods to promote brands in the digital landscape.

⁷ <https://doi.org/10.17605/OSF.IO/UQ639>

POSITION IN COURSE

This study can be used in the courses below mainly targeting the undergraduate level.

Course	Level
Brand Value Creation	Level 03
Consumer Behavior	Level 03
Marketing Communication	Level 03

RELEVANT READING

- Keller, K. L., & Swaminathan, V. (2020). *Strategic brand management: Building, measuring, and managing brand equity* (5th ed.). Pearson.
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ASSIGNMENT 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’s portfolio.
05. Evaluate how instilling brand citizenship behavior in internal stakeholders can help Kelani Cables achieve its desired brand equity.

TEACHING PLAN

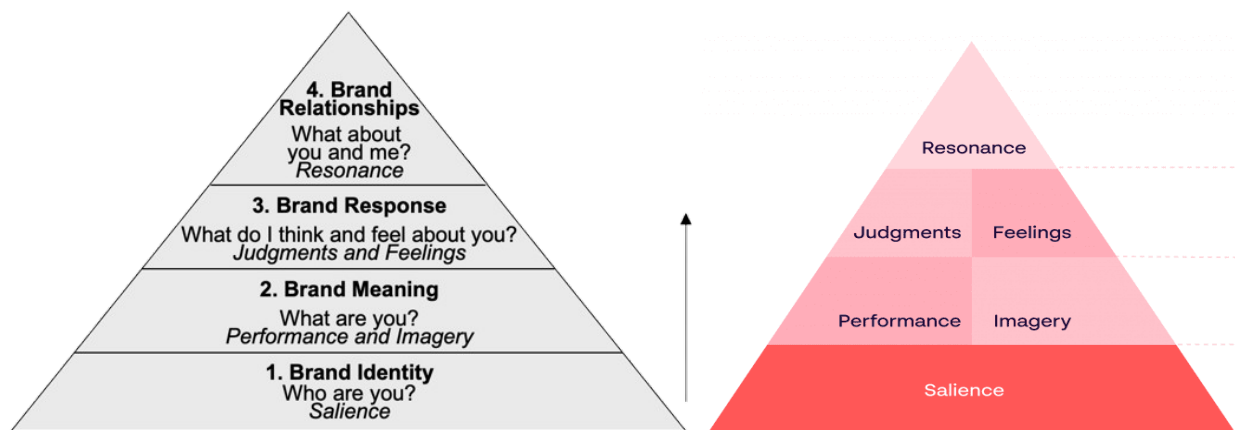
A classroom session has been planned for three hours, and 90 minutes will be allocated to explain the theories related to the case study. Afterwards, the case study briefing will be conducted as the briefing session, and then assignment questions will be discussed based on the learning partners' thoughts/analysis. This process will take another 90 minutes, and a three-hour session will be conducted.

Discussion Point	Time (Minutes)
Introduction	30 minutes
Theory and concept discussion (Brand Equity Model, TTL Advertising, Advertising Appeals, Push and Pull Promotions, Brand Citizenship)	90 minutes
Case study discussion	30 minutes
Assignment Question 1	30 minutes
Assignment Question 2	30 minutes
Assignment Question 3	30 minutes
Assignment Question 4	30 minutes
Assignment Question 5	30 minutes
Conclusion and Wrap-Up	15 minutes

ANALYSIS

Assignment Question 1

To establish "Safety Forever" as the brand promise for Kelani Cables using Kevin Keller's Customer-Based Brand Equity (CBBE) Model, the strategies should consider Kelani Cables' historical emphasis on quality, its evolving focus on emotional brand equity, and its strong industry position, as detailed in the case study. Here's the application of Keller's model:



1. Brand Identity (Who are you?)

- Objective: Ensure "Safety Forever" becomes synonymous with Kelani Cables in customers' minds.
- Actions:
 - Consistency: Use "Safety Forever" across all branding materials, including packaging, advertisements, and corporate messaging.
 - Visibility: Leverage Kelani Visura (electricians' club) and its strong network of 15,000 electricians to promote safety-focused messages.
 - Reputation: Highlight accolades like the National Safety Award to strengthen the association with safety.
 - Geographical Identity: Emphasize Kelani Cables as a trusted Sri Lankan brand that understands the unique safety challenges of the local environment (e.g., tropical climate, infrastructure needs).
 - Cultural Relevance: Integrate local cultural symbols or narratives that tie into the "Safety Forever" message, making it more relatable to customers.

2. Brand Meaning (What are you?)

- Performance:
 - Showcase certifications and rigorous quality standards (e.g., BS, IEC, JIS) as tangible proof of safety.
 - Emphasize safety features in product descriptions, such as fire resistance and durability.
 - Use the fully equipped testing lab as a symbol of commitment to safety and innovation.
- Imagery:
 - Incorporate visuals of families, safe workplaces, and infrastructure projects supported by Kelani Cables in campaigns.
 - Develop emotional storytelling around safety to create deeper connections (e.g., campaigns showing how Kelani Cables prevent accidents).

3. Brand Response (What about you?)

- Judgments:
 - Reinforce credibility through endorsements by safety organizations, government agencies, and prominent engineers.
 - Maintain a premium pricing strategy to align with perceptions of high quality and reliability, reflecting "Safety Forever."
 - Highlight awards and certifications prominently on packaging and promotional materials.
- Feelings:
 - Leverage emotional branding through CSR projects, such as community safety drives, to evoke feelings of trust and protection.
 - Create campaigns that show the emotional peace of mind customers experience by choosing Kelani Cables.

4. Brand Resonance (What about you and me?)

- Behavioral Loyalty:
 - Encourage electricians and engineers to advocate for Kelani Cables through rewards in the Kelani Visura program (e.g., accident insurance, and points-based benefits).
 - Offer extended warranties to enhance customer trust and loyalty.
 - Offer exclusive early access to new safety-enhanced products for loyal customers.
- Active Engagement:
 - Develop a community-centric approach by organizing workshops on electrical safety and standards.
 - Promote corporate social responsibility (CSR) initiatives focusing on safety, such as educational campaigns in schools and workplaces.

- **Community and Advocacy:**
 - Expand partnerships with educational institutions (e.g., training programs with universities) to promote safe practices and position Kelani Cables as a thought leader in safety.
- **Customer Co-Creation:**
 - Engage customers in product development by gathering their input on safety concerns, making them feel like active participants in the brand's safety journey.
 - Use customer testimonials in advertising to showcase real stories of how Kelani Cables ensured safety.

Assignment Question 2

Promoting and enhancing sales through workforce recommendations at Kelani Cables can be an effective strategy to leverage its internal and external networks. Here are key approaches aligned with Kelani Cables' strengths and initiatives:

1. Equip and Engage the Workforce

- **Internal Brand Advocacy:**
 - Train employees to understand and communicate the brand promise, "Safety Forever," ensuring consistent messaging.
 - Use internal marketing campaigns to inspire employees to be proud advocates of Kelani Cables' products.
 - Develop a rewards program for employees who successfully refer clients or generate leads.
- **Upskill Electricians:**
 - Expand initiatives like the Kelani Visura Electricians Club to include advanced technical training and workshops.
 - Encourage electricians to recommend Kelani Cables to clients by offering loyalty points, cash rewards, or redeemable gifts.
 - Provide electricians with branded merchandise or marketing collateral (e.g., brochures and digital content) that highlights the safety and quality of Kelani Cables.

2. Strengthen Intermediary Relationships

- **Distributor and Dealer Incentives:**
 - Offer incentives for dealers and distributors who actively promote Kelani Cables' safety-first products.
 - Organize dealer events to highlight product innovations, safety standards, and marketing strategies.

- B2B Engagement:
 - Partner with large-scale contractors, engineers, and consultants who frequently work with end-users to promote Kelani Cables as a trusted brand.
 - Use testimonials or case studies from satisfied clients to further enhance credibility.

3. Leverage Technology for Workforce Sales Enablement

- Digital Platforms:
 - Create a dedicated mobile app or online portal for electricians and intermediaries to access product details, training modules, and incentives.
 - Use the portal to track performance metrics and issue rewards automatically for recommendations.
- CRM Integration:
 - Implement a Customer Relationship Management (CRM) system to track leads generated by workforce recommendations.
 - Enable workforce members to log potential leads through an easy-to-use digital platform, streamlining follow-ups.

4. Expand Workforce Advocacy Programs

- Recognition and Rewards:
 - Publicly recognize high-performing employees, electricians, or dealers who contribute to increased sales through recommendations.
 - Establish an annual award ceremony with a theme like "Safety Champions" to motivate continued advocacy.
- Collaborative CSR Initiatives:
 - Involve electricians and workforce members in CSR campaigns promoting electrical safety to create a community-driven brand image.
 - Offer tools or kits to electricians participating in such initiatives, increasing brand loyalty and advocacy.

Assignment Question 3

To effectively use Through-the-Line (TTL) digital campaigns to promote Kelani Cables, the focus should be on integrating targeted, interactive, and measurable online marketing techniques. These campaigns should reinforce the brand promise of "Safety Forever" while engaging both B2B and B2C audiences. Below is a detailed approach:

1. Social Media Marketing

Leverage social platforms to create awareness, foster engagement, and drive conversions.

Platforms:

- Facebook and Instagram: Engage the B2C market, including homeowners and electricians.
- LinkedIn: Target B2B customers, such as engineers, contractors, and project managers.
- YouTube: Share long-form video content to demonstrate safety innovations.
- TikTok: Share long-form video content to demonstrate safety innovations.

Campaign Ideas:

- Interactive Posts:
 - Run quizzes like "How Safe Are Your Cables?" to educate audiences about the importance of quality and compliance.
 - Create polls asking electricians or homeowners about safety priorities.
- User-Generated Content:
 - Encourage customers and electricians to share their experiences with Kelani Cables using hashtags like #SafetyForeverWithKelani.
 - Feature their testimonials to build trust.
- Video Series:
 - Develop short videos showcasing how Kelani Cables ensures safety (e.g., factory processes, real-life safety stories).
 - Highlight the CSR-driven training programs for electricians.

Paid Advertising:

- Use Facebook and Instagram ads (Meta Ads) to target homeowners and professionals in the construction and renovation sectors. Advertising objectives would be Awareness and Engagement.
- Utilize LinkedIn paid ads to directly reach contractors and project leads.

2. Content Marketing

Position Kelani Cables as an industry thought leader by providing value-driven and informative content. Brand-oriented, product-oriented, market-oriented and customer-oriented content pillars will be used.

Key Content Types:

- Blogs:
 - Write posts on topics like "5 Ways to Ensure Electrical Safety at Home" or "Why Cable Quality Matters for Safety."
 - Collaborate with electricians or engineers to share professional insights.

- Infographics:
 - Develop visually engaging infographics on technical details, such as safety certifications or common wiring mistakes (Static posts, videos, GIFs, Carousels).

Distribution:

- Post content on the Kelani Cables website blog.
- Share content across social media platforms.
- Use platforms like LinkedIn Pulse to publish articles targeting industry professionals.

3. Influencer Marketing

Collaborate with key influencers in the electrical and construction industries to promote Kelani Cables.

Types of Influencers:

- Electricians and Contractors:
 - Partner with reputed electricians to share their experiences with Kelani Cables on social media.
- Safety Advocates:
 - Work with experts who can reinforce the "Safety Forever" message.

Execution:

- Provide influencers with product samples and allow them to showcase Kelani Cables in their projects.
- Encourage them to participate in live Q&A sessions to address safety concerns.

4. Search Engine Marketing (SEM)

Optimize search visibility to reach customers actively seeking electrical cable solutions.

Search Engine Optimization (SEO):

- Target keywords like "safe electrical cables in Sri Lanka" or "fire-resistant cables" in blog content and product pages.
- Use on page optimization for product listings.

Pay-Per-Click (PPC) Campaigns:

- Create Google Ads targeting electricians, contractors, and homeowners searching for high-quality cables.
- Use ad extensions to highlight safety certifications, warranties, and key product features.

5. Email Marketing

Engage existing customers and prospects with personalized email campaigns.

Email Content:

- Newsletters:
 - Share updates about new products, CSR activities, or training programs.
- Promotions:
 - Offer discounts or incentives for bulk purchases or referrals from electricians.
- Educational Emails:
 - Send regular tips on electrical safety and proper cable usage.

6. Retargeting Campaigns

Re-engage website visitors and social media users who have shown interest in Kelani Cables.

Execution:

- Use retargeting ads on Facebook, Instagram, and Google to remind users of products they viewed.
- Offer limited-time discounts or exclusive content, such as guides, to prompt conversions.

7. Analytics and Optimization

Continuously monitor and optimize digital campaigns to ensure effectiveness.

Metrics to Track:

- Engagement rates (likes, shares, comments) on social media.
- Website traffic and time spent on safety-focused content.
- Conversion rates for paid ads and email campaigns.
- ROI from influencer partnerships.
- Cost per conversion
- Cost per click
- Click through rate
- Landing page views

Tools:

- Use Google Analytics for website performance insights.
- Leverage social media insights to refine audience targeting.
- Facebook Pixel

Employ A/B testing to determine the most effective ad creatives and content formats.

Assignment Question 4

Kelani Cables can utilize emotional appeal in its advertising to connect with customers on a deeper level, emphasizing the safety, trust, and reliability associated with its "Safety Forever" brand promise. Emotional advertising resonates strongly with consumers by addressing their psychological and social needs, making it a powerful tool to differentiate the brand and foster loyalty. Here's how Kelani Cables can integrate emotional appeal into its campaigns.

1. Emphasizing Family Safety

Message: Position Kelani Cables as a protector of families, ensuring their safety through high-quality and reliable cables.

- Campaign Themes:
 - Show heartwarming scenarios of families enjoying their homes, safeguarded by Kelani Cables.
 - Highlight how choosing Kelani Cables prevents electrical accidents and protects loved ones.
- Visuals:
 - Use imagery of parents securing their homes for children or grandparents to feel reassured about their safety.
- Taglines:
 - "Because your family's safety comes first, always choose Kelani Cables."
 - "Safety Forever: For your home, for your loved ones."

2. Highlighting Emotional Stories

Message: Share real-life stories where Kelani Cables played a crucial role in ensuring safety.

- Execution:
 - Create video testimonials from homeowners, electricians, or businesses recounting incidents where Kelani Cables prevented potential hazards.
 - Develop short films showing families or businesses choosing Kelani Cables for peace of mind.
- Platforms:
 - Share these stories on social media, and during TV commercials.

3. Evoking Patriotism

Message: Position Kelani Cables as a brand that contributes to national development and safety, aligning with local pride.

- Campaign Ideas:
 - Showcase Kelani Cables' role in powering Sri Lanka's infrastructure projects, ensuring the safety of homes, schools, and hospitals.
 - Highlight its contributions to the community through CSR initiatives, such as electrician training and safety workshops.

- Taglines:
 - "Building a safer Sri Lanka, one cable at a time."
 - "Proudly protecting our nation with Kelani Cables."

4. Tapping into Aspirational Emotions

Message: Promote the idea that choosing Kelani Cables reflects a wise, responsible, and forward-thinking decision.

- Execution:
 - Feature aspirational narratives of homeowners building their dream homes or businesses growing with Kelani Cables' reliable support.
 - Showcase how Kelani Cables enables electricians and contractors to deliver quality and earn trust.
- Visuals:
 - Depict modern homes, high-tech offices, and advanced factories powered by Kelani Cables.

5. Addressing Fear and Reassurance

Message: Address common fears around electrical safety and position Kelani Cables as the solution.

- Campaign Themes:
 - Highlight risks associated with low-quality cables, such as fires or malfunctions, and how Kelani Cables prevent them.
 - Use testimonials from electricians or safety experts validating the brand's reliability.
- Execution:
 - Create before-and-after scenarios demonstrating the impact of using Kelani Cables.
 - Include reassuring phrases like, "Don't leave your safety to chance. Choose Kelani Cables."

Assignment Question 5

Introduction to Brand Citizenship Behavior (BCB):

- Brand Citizenship Behavior refers to employees' voluntary actions that support the company's brand promise beyond their formal roles.
- It involves acting as brand ambassadors, promoting the brand's values, and aligning personal behavior with the brand promise.

1. Enhancing Brand Consistency and Credibility:

- Brand Promise Alignment:
 - Employees who internalize and embody the brand promise of "Safety Forever" create consistent messaging.
 - Consistency in brand messaging builds brand credibility and trust.
- Credible Brand Advocates:
 - Employees as authentic brand advocates help build trust among external stakeholders.
 - These advocates create strong, credible connections with customers, enhancing perceived quality and brand trust.

2. Strengthening Employee Engagement and Motivation:

- Employee Commitment:
 - Motivated employees with a personal connection to the brand contribute to higher engagement.
 - Engaged employees proactively promote the brand, leading to higher customer satisfaction and loyalty.
- Internal Alignment with Brand Values:
 - Employees who embrace the brand's core values ensure alignment between internal culture and external brand promise.
 - Positive internal behaviors translate into better customer experiences and reinforce brand equity.

3. Fostering Positive Word-of-Mouth and Customer Loyalty:

- Organic Promotion:
 - Employees engaging in BCB share positive experiences about the brand, creating organic word-of-mouth.
 - This increases brand reputation and loyalty, benefiting brand equity.
- Increased Customer Satisfaction:
 - Employees who go beyond their duties (e.g., offering safety advice or recommendations) contribute to enhanced customer satisfaction.
 - Satisfied customers are more likely to become loyal advocates, strengthening brand equity.

4. Creating a Strong Internal Brand Culture:

- Brand as a Shared Identity:
 - Encouraging BCB fosters a strong internal brand culture, uniting employees under a shared purpose.
 - A cohesive, brand-aligned workforce strengthens the overall brand, contributing to greater brand equity.

- Internal Communication and Engagement:
 - Effective communication reinforces BCB, ensuring employees understand their role in supporting the brand.
 - Training, forums, and campaigns increase engagement, fostering ownership and pride in the brand.

Conclusion:

- Brand citizenship behavior is crucial for achieving brand equity at Kelani Cables.
- It ensures consistent brand messaging, enhances customer loyalty, and boosts employee engagement.
- By cultivating a strong internal brand culture and encouraging employees to embody the brand values, Kelani Cables can significantly strengthen its brand equity.



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