Sri Lanka: Small and Medium-Sized Enterprises Line of Credit Project
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For Ministry of Finance’s Department of Development Finance

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ICT/BPM in Sri Lanka
Branding GAP Analysis Report

April 2017
Table of Contents

1. Executive summary ............................................................................................................. 2
2. Why Sri Lanka’s ICT/BPM sector needs stronger country-level branding .................... 4
3. Examples of successful country-level branding in other sectors & countries................... 9
   3.1. Country-level branding examples of other sectors ......................................................... 9
   3.2. ICT/BPM sector branding examples of other countries .................................................. 15
   3.3. Lessons learned from successful country-level branding in other sectors & countries .................................................. 19
4. Existing initiatives to raise the visibility of Sri Lanka’s ICT/BPM sector ......................... 20
5. Aspects to consider in developing Sri Lanka’s ICT/BPM brand ........................................ 26
6. Key strengths/messages to be promoted ........................................................................... 29
7. Conclusions and next steps .............................................................................................. 31


1. Executive summary

Sri Lanka is among the Top 30 locations for Offshore Services. The Sri Lankan ICT/BPM industry has achieved considerable milestones in recent years, with a growth of more than 300% over the last 10 years to reach close to $1 billion in revenue. However, the sector is still small compared to competing countries and it’s recognition by global customers is very limited. As a result, ICT/BPM companies in Sri Lanka first need to convince customers about the country’s general capabilities in the sector, before they even begin to market their own company’s specific products for services.

Several recent studies have recognized improved marketing and visibility as the top priority for continued growth of the knowledge services sector in Sri Lanka. In order to achieve SLASSCOM’s Vision 2022 targets, developed with the support of ICTA, it identified that “breakthrough marketing and promotion” campaigns to be the most desired course of action for the sector to engage in. An extensive industry survey conducted at the request of EDB also confirmed that development and promotion of a national level brand would be highly beneficial for sector growth. This assignment is aimed at developing an international branding campaign for the ICT/BPM, which in turn would enable companies (including the many SMEs that cannot market internationally) to prosper.

This phase of the assignment involved field visits to numerous organizations, professional institutes and associations to understand the current branding initiatives, as well as issues and challenges that the Sri Lankan industry faces. The methodology adopted qualitative research. It is observed that the Government of Sri Lanka in collaboration with industry stakeholders have already taken many steps to build the sector’s visibility – e.g. EDB convened a special committee to look into developing a national ICT/BPM brand, ICTA launched the “Sri Lanka: IT-BPM Destination” brand, individual companies have produced videos and promotion materials, and government and industry working together have commissioned special analyst reports, engaged PR firms, won international awards and organised trade missions to multiple markets.

A key problem that the sector however faces is that; it still lacks the kind of instantly-recognisable “brand” that other countries and sectors have created – this requires agreement on a single logo or tag-line, as well as a consistent series of supporting case-studies and marketing collateral, a set of standards which motivate all stakeholders to live up to the brand-promise, and a coordinated campaign to maximise visibility of the new brand among target customers (through media coverage, trade missions, meetings etc.).

Further, previous attempts to define a single “brand” have got caught up with debates about the scope of what is to be promoted – whether Sri Lanka would be promoted as a destination or location, whether Sri Lanka would be promoted as a specific subset of knowledge services where they possess specific strengths or whether Sri Lanka would be promoted based on the skills that its people have to offer.

The overwhelming conclusions from our meetings are that:

- An overarching national brand (and creative use of cost-effective channels to promote this brand) is critical to accelerate growth and reduce selling costs for entrepreneurs in the sector.
- The brand must consistently promote Sri Lanka as a source of innovative solutions across knowledge services, not just a subset of ICT/BPM services (ideally Sri Lanka’s lifestyle advantages should also be conveyed).
- The brand may be aspirational, but it should be backed by compelling examples and a set of standards that motivate stakeholders to “live” the brand.

The next step in the development of an international branding campaign for the ICT/BPM sector, is to create an “idea map” of the key brand attributes and a database of supporting examples that reinforce the brand; hold a series of workshops with stakeholders to hone in on the most compelling options; and then secure broad stakeholder consensus on the best option for an overarching national brand.

An effective global brand should ensure that global customers have a positive image of Sri Lankan companies’ capabilities, even before they interact with individual companies – thereby increasing sales success and
reducing selling costs for individual entrepreneurs. These benefits of effective global branding are already proven in other sectors in Sri Lanka, such as the apparel, tea and tourism sectors. Other countries, such as Korea, Egypt and Bangladesh, which were previously little known for knowledge services, have successfully repositioned themselves as leading knowledge services providers through consistent branding campaigns.
2. Why Sri Lanka’s ICT/BPM sector needs stronger country-level branding

For several years, the ICT/BPM industry of Sri Lanka has been recognized as a major sector that contributes to the country’s economy. It has gradually become one of the largest export earner for Sri Lanka, a pillar built on agility, efficiency and skill. Sri Lanka has been focusing on establishing itself as a specialized niche player, as opposed to its two large neighbouring rivals; India and China. The Sri Lankan IT and BPM industries have made its presence in several developed countries, Australia and US being at the top. Other markets in which the sector has presence include Europe – UK and Ireland, Asian mature markets and South Asia.

Despite the importance of the industry for the country and its international presence, global recognition of Sri Lanka’s capabilities in “knowledge services” still lags far behind competing countries. One of the reasons for this could be due to the size of the industry within its universe. The Sri Lankan ICT/BPM sector is tiny compared to regional leaders – both high-volume players like India and the Philippines and high-value players like Singapore. Even when compared to smaller countries; Ireland, Estonia and Costa Rica, Sri Lanka still tends to rank low.

Sources: World Bank Exports of ICT & Other Business Services 2015

Informal survey of multinational organisations on the level of visibility of Sri Lankan ICT/BPM industry, indicate that the CIOs who do not have any presence in Sri Lanka were unaware of an established ICT/BPM industry in the country. For those who have heard about the Sri Lankan industry, lack of knowledge about the capabilities and quality of work has been a deterrent to invest in the country. It was apparent that when they make investment decisions, Sri Lanka has not made their list of potential countries.

In the most recent available survey of global executives’ intentions for outsourcing of IT and other services (published by Deloitte in 2014), the highest percentage of executives expect to expand operations in countries like Brazil and Malaysia, but Sri Lanka is not even mentioned by the executives.
The reason for lack of visibility could also be due to insufficient branding of the industry out there. When surveyed, global executives are all aware of India’s and the Philippines’ skill-base and track record – with India recognised as the global leader for IT services, and the Philippines known for contact centres and business process management. Customers in Europe also tend to be familiar with larger countries around the periphery of Europe like Poland and Romania.

Alongside these large well-known players, a number of small advanced countries like Ireland, Israel and Estonia are well known for their skilled workforce and sophisticated capabilities in specific segments (finance, security, e-government, etc.).

A number of newer contenders such as Malaysia and Brazil have also managed to generate high visibility through concerted promotion campaigns. Even in South Asia, Sri Lanka risks being overshadowed by more populous countries in the region like Bangladesh, Pakistan, Indonesia and Vietnam, as stakeholders in these countries begin to proactively promote their IT and BPM capabilities.

Over the last 3 months, we have interviewed more than 30 leading executives in the Sri Lankan and foreign companies operating in Sri Lanka, and all have agreed that improved national branding remains critical for their growth. Following are some key points that were highlighted by the interviewees.

- **Locally-based small and medium companies** say that when they pitch to a new customer, they have to spend half their time explaining Sri Lanka’s general ICT and BPM capabilities, before they can begin to sell their company’s specific solutions and skills – unlike India or the Philippines or Ireland. Global customers have little or no awareness that Sri Lanka has world-class ICT and BPM capabilities.

- **Multinational companies** with delivery centres in multiple countries including Sri Lanka (like HSBC or Virtusa or Moody’s) are selling global solutions to their customers, not Sri Lanka’s specific capabilities; but even they have to compete internally to sell Sri Lanka’s capabilities to their global colleagues, in order to convince them to send work to Sri Lanka rather than other delivery centres.

- Many stakeholders also commented that a more high-profile brand for the ICT/BPM sector is needed to grab the attention of local audiences as well as global customers;
  - To convince local students to take up careers in the sector
  - To make more local professional services companies (like architects, accountants and lawyers) aware of the potential to export their services
  - To convince local policy-makers to create a conducive environment for the growth of the sector
It has been acknowledged that Sri Lanka has been developing a knowledge services industry over the years. In 2014 Sri Lanka was ranked 16th in the A.T. Kearney Global Services Location Index (GSLI) and the report described Sri Lanka is developing a successful but relatively unknown knowledge services industry. The industry has been providing services beyond the standard software development to transaction processing services to global clients. With having a concentrated professional talent base, especially in accounting, the industry provides sophisticated accounting and financial analytics services to international firms. Other professional services such as legal services, architectural services and medical diagnostics are also being provided as offshore services. The highly educated talent pool with good command of English is definitely considered as a plus point.

Some global players have chosen Sri Lanka as their offshore research and analytics centre. They view the Sri Lankan industry as a perfect complementary location for their global operations. In 2016 Sri Lankan industry moved up another 2 places to be ranked as 14th in the A.T. Kearney GSLI, where the report highlighted that Sri Lanka still remains comparatively a lower cost option and provides an easier operating environment.

There are many Sri Lankan based firms who have proved the industry’s capabilities in the global market. Following are some of the success stories of Sri Lankan ICT/BPM industry.

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**Millenium IT**

*Founded in 1996 as a systems integrator and Sun Microsystems authorized reseller, Millennium Information Technologies (MIT) entered the software design field the following year, when it interpreted a systems integration contract from the Colombo Stock Exchange (CSE) as an opportunity to design and install a straight-through processing system for the Exchange. The CSE solution became the basis for MIT’s suite of capital-markets software products. The same year saw the company build the first suite of mobile-phone applications software for Dialog GSM, a leading Sri Lankan telecoms provider. The company achieved dominance in the Sri Lankan banking and telecoms sectors, and was appointed as Premium System Integration partner by Cisco Systems.*

**Business wins in Mauritius, Croatia and Malaysia were the first steps towards a worldwide customer base for MIT. Its capital markets software found more satisfied customers around the world, and in 2001 MIT won its first US contract and set up operations in Boston, MA. In 2005 the company was contracted to provide an automated equity and ETF trading system for the American Stock Exchange (AMEX), one of three primary exchanges in the United States. Live trading at AMEX commenced the following year, as the company received a US patent on its Business Innovation Dynamically (BID) technology.**

**Following a contract with London Stock Exchange (part of London Stock Exchange Group - LSEG) for a new trading platform for equities, MIT was acquired by LSEG in 2009. The acquisition gave the company a firmer footing in international competition and a number of orders from around the world followed shortly.**

**In 2010, LSEG’s Turquoise trading platform was successfully migrated to Millennium Exchange™, MIT’s flagship capital-markets software. The company was now active on four continents, and important business wins continued in Canada, India and South Africa. It also entered into a partnership agreement with Tullett Prebon to further develop the IDB’s electronic broking capabilities across a variety of asset classes for internal and external trading systems.**

**More recently other exchanges such as Borsa Italiana in Milan, Johannesburg Stock Exchange and the Mongolian Stock Exchange have gone with Millennium Exchange™ and Millennium Surveillance™. Millennium Surveillance™ also went live at the Egyptian Exchange and Bursa Malaysia, while new projects were awarded at the London Metal Exchange, the Lima Stock Exchange, the Hong Kong Exchange, Singapore Exchange and the Argentinian Caja de Valores, amongst others. Today, MIT’s capital markets suite is operational in more than 40 client sites around the world, as the company continues to pursue its vision of being the world’s premier capital markets software firm.***
The above case studies showcase the advanced skills and capabilities of the industry and are a few examples among many. For a small country without an inherent scale advantage, the focus on creating a platform on skill and efficiency is seen to be the best approach. The industry’s key competitive advantages could therefore be categorised as follows;

**a) Superior capacity for innovation, creativity and problem-solving**

Several companies with delivery centres in multiple countries (such as HSBC and Copal-Amba) commented that they tend to locate their more complex operations or more complex customers in Sri Lanka; other companies with their main operations in Sri Lanka such as MilleniumIT, Simcentric Cake Labs and Legalbase are known for providing complex products and services in their field.
Companies with multiple delivery centres also commented that they tend to start new clients and projects in their Colombo centre, before rolling out to other centres (e.g. Pearson, Virtusa, Amba).

Some companies like Virtusa and WNS also commented that they have retained and expanded their relationships with key clients like BT and Aviva, because they are known for not just maintaining and operating existing processes and systems, but looking for ways to continually improve existing processes and systems.

**b) Sri Lanka’s smaller, more nimble centres are particularly well-suited for developing new solutions and servicing smaller accounts**

Several local companies have built successful businesses specifically targeting medium-sized clients. But even larger firms commented that they often handle new clients and smaller, more complex projects in their Sri Lanka delivery centre - unlike large centres in India and the Philippines, more sensitive projects and new accounts get more management attention in Sri Lanka.

This capacity for working on smaller, innovative solutions is also in line with emerging shifts in market demand. In a recent article by The Economist highlighted that “Budgets globally are growing steadily, but an increasing amount of the money is spent on trendy stuff like analytics or the internet of things. Such new “digital” services will rise from a tenth of total IT spending in 2014 to over a third in 2020”. Even though this will become a challenge to Indian firms, as the article points out, due to their specialisation in fixing problems cheaply, not driving innovation, it could be seen as an opportunity for Sri Lanka.

Despite the capabilities of the industry, it is acknowledged that the brand awareness of Sri Lanka as an ICT/BPM centre is very low. Whilst it is known as a tourist destination, there is no awareness of it being a source of a professional and well developed ICT/BPM industry. It is this aspect, that the brand is expected to address.

An effective global brand should help companies to increase their sales success and reduce sales costs. The brand will enable this gap to be addressed through several means:

1. The brand will be a point of focus and value addition for all marketing investments that the industry makes in the future. With the adoption of the brand across the industry, it will be used in the marketing efforts of individual companies as well. By becoming a single point of repeated use, it will build synergy and thereby have a multiplier effect across various media and direct contact platforms.

2. With the brand being consistently used across these multiple touch points (individual company websites, industry websites, trade show delegations, news articles, marketing material such as brochures, presentations etc. etc.) by many stakeholders (BOI, EDB, SLASSCOM, ICTA, companies) it will create awareness that there is a burgeoning ICT/BPM industry in Sri Lanka.

3. Because of this awareness, possible customers would be more receptive to Sri Lankan companies approaching them for business (since a perception of capability has been established through the reputation that the brand will create).

4. Therefore customers will proactively seek out more information via the internet, they would be willing to entertain Sri Lankan companies to pitch for their business and once convinced of the capabilities would be willing to pay more – because of the level of confidence they have of the industry and the preceding reputation that the brand has built.

5. Less time and effort will therefore be spent on convincing customers that Sri Lanka has the capability, since the brand will embody all the global successes that the country has achieved in the past.

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1 The Economist article on ‘Indian outsourcing specialists must re-boot their strategies’ dated 19 January 2017, has quoted McKinsey as the source.
3. Examples of successful country-level branding in other sectors & countries

3.1. Country-level branding examples of other sectors

The benefits of effective global branding are already well-known in other sectors of the Sri Lankan economy.

“Ceylon Tea” and the Lion Logo

Stakeholders in the Sri Lanka tea sector first came together to do joint promotion of “Ceylon Tea” as early as the nineteenth century. The Ceylon Tea Traders Association was established in 1894 and sponsored joint promotion of Ceylon tea at various British Empire trade expositions, the Chicago World’s Fair in 1893 and the Paris Exposition of 1900. In addition to these ‘national’ efforts, numerous manufacturers and exporters also promoted Ceylon Tea along with their particular brands.

In 1932, the industry came together and founded the Tea Propaganda Board, a privately-funded industry initiative. With input from industry players, the Propaganda Board selected and formally registered the Lion Logo as the symbol of Ceylon Tea. The stylized lion image was selected as an ancient royal symbol of Ceylon, and the image must always be accompanied by the words “Ceylon Tea – Symbol of Quality”. The mark consists of a stylized lion holding a sword over the wording ”CEYLON TEA SYMBOL OF QUALITY”, enclosed in a square with rounded corners. In 1934, legislation was passed requiring all tea exports to carry the Lion logo and preventing export of tea of lower quality.

Over the next 40 years, the Propaganda Board sponsored a wide range of initiatives to reinforce the image of Ceylon tea as the best in the world. In addition to advertising, trade fairs and opening of Ceylon Tea Centres in London and elsewhere, the Propaganda Board also sponsored a number of documentary films about Ceylon Tea, including most notably “Song of Ceylon” (1934) which is regarded as a landmark of early documentary film-making.

In 1976, the government took over the Tea Propaganda Board and made it part of the Sri Lanka Tea Board. To this day, the Tea Board strictly administers and monitors the use of the Ceylon Tea Lion Logo.

The sole purpose of this logo is to ensure that it is applied to only those products which use teas originating from Sri Lanka. Many tea brands use multiple sources of tea which are blended to provide a unique taste. The lion logo system ensures that only single origin teas, those blended using other Sri Lankan teas and packed in Sri Lanka can use this logo. Thus, this logo deters any form of dilution or mixing with teas from other countries, ensuring the purity of a cup of Ceylon tea in the hands of a consumer.

Companies have to apply to use this logo from the Sri Lanka Tea Board. Once approval has been granted it can be used in the packaging to establish the tea originated from Sri Lanka and is 100% pure with no other additives or foreign teas.

To ensure this is strictly implemented the Sri Lanka Tea Board has set up the Tea Tasting unit which tests the teas on which approval has been granted. This unit along with the analytical laboratory is also responsible for assessing the quality of Ceylon Tea, prior to the auction and export of teas. The unit’s testing and sampling work is essential to ensure that the single origin source is maintained whilst being available anywhere in the world.

All producers and exporters of tea are required to register with the Tea Board, submit an application and undergo annual inspections in order to export tea and use the Lion Logo. Tea Board field inspectors visit each estate and factory and the Tea Board Tea Tasting unit conducts regular checks of export consignments to
ensure that quality standards are being maintained. These standards include checking the quality of the finished tea, but they also cover the process used to make the tea, hygiene and safety in the manufacturing and packing process, and social and environmental safeguards.

The logo is owned by the Sri Lanka Tea Board and the trademark is registered in more than 50 countries. Because of strict enforcement, all companies who are operating in Sri Lanka – both large and small, have to adopt this procedure if they want to establish that their tea is being sourced from Sri Lanka. Establishing the source of origin is a key factor in the marketing of teas across the world. The lion logo certification system has therefore been successfully implemented and is still on-going after 3 decades.

This consistent promotion and enforcement of the “Ceylon Tea” brand at a national level has generated enormous value for companies in the industry. Thanks to joint industry efforts, Sri Lanka rose to become the world’s largest exporter of tea in the 1990s. Most importantly, Sri Lankan teas consistently earn a significant premium over teas of similar quality from other countries. In recent years, this gap has widened: in 2014, Sri Lanka tea exporters earned an average of $4.95 per kg, vs a global average of just $2.78. This could be as a result of the existing brand recognition Sri Lankan teas hold, persuading customers to seek it out over teas from competing countries. As a result, the world’s biggest tea blenders as well as retail customers are ready to pay premium prices for Sri Lankan teas, making them up to 50% more expensive than the global average.

![Average value of tea exports, US$/kg, 2014](image)

**Sources:** Ceylon Tea Board; ITC Trade Map
Sri Lankan Apparel and “Garments without Guilt”

The apparel sector is Sri Lanka’s biggest exporter, and has been operating successfully for more than 25 years. While initially positioning itself as a low-cost location with low labour costs, over the years the industry had matured and acquired considerable competencies beyond labour cost advantage.

In the early 2000s, with the end of the global “Multifibre Agreement” quota system, all apparel exporters had to begin to compete in the global market through their commercial capabilities. In order to do so, Sri Lanka Apparel had to enhance its marketing capabilities, for which Government support was provided in terms of marketing funding. One key initiative was to develop a Sri Lanka Apparel brand, which needed to encompass the sectors capabilities and establish a point of differentiation.

The challenge was to be able to understand the needs of the buyers and to establish what competencies Sri Lanka had to meet those requirements. It was important that this was embraced by the entire industry.

In order to identify buyers’ needs and Sri Lanka’s distinctive proposition, a formal “opportunity mapping” process was launched. A workshop was held with a broad cross-section of industry stakeholders to understand the sector’s key strengths. Qualitative market research study was conducted amongst buyers in the USA, to understand the key considerations for buying behaviour, and the positioning of competing countries was analysed. The output of this market research and competitor analysis was then further validated through internal stakeholder reviews.
Based on this process, the industry through Sri Lanka Apparel (Joint Apparel Association Forum, or JAAF), decided to create a unique brand positioning around an ethical platform for the sector. This was expressed through the tag line: “Garments without Guilt”. This defined the superior labour standards that Sri Lankan factories were adhering to, compared to its closest rivals.

The industry was able to embrace this concept and further refine it by establishing minimum compliance standards in order to be able to adhere to the “Garments without Guilt” brand promise. The process involved establishing an ethical platform based on each factory following good labour practices, in line with the general rules of the Department of Labour. There are different degrees of labour practices that could be followed depending on the level of sophistication in each of the factories. It was decided that for the Garments without Guilt brand, that 5 basic rules will be followed:

Unlike the tea example, this was a self-regulatory system and was open to those companies who voluntarily wanted to adopt the brand. Doing so required a monitoring system to be put into place.

To implement this, Sri Lanka Apparel commissioned Swiss based SGS Group, the world’s largest organization in the field of inspection, verification, testing and certification, to monitor the Sri Lanka Apparel Code of Conduct. This certification was crucial to support the brand offering and to ensure that the diverse organizations which forms Sri Lanka Apparel was brought under an integrated net.

This was seen as a continuous, self-improvement programme, and as a journey for the industry and for individual factories who were non-compliant to aspire to achieve.

A number of initiatives were then taken to ensure that Sri Lankan apparel producers lived up to the brand:

- Factories were upgraded to meet the highest health, safety and environmental standards
- Internal communications were launched within the industry to ensure that all stakeholders were aware of ethical standards
- A certification process was launched to ensure compliance with minimum standards
The promotion of the Garments without Guilt brand was implemented primarily through on-line and supported by direct contact. The high potential US was the market that was focused on, due to budget limitations. As the major apparel buyers were influenced by customers concerns on ‘how’ the garments were produced and not purely by ‘what’ they produce, the “Garments without Guilt” tag line was able to appeal to both wholesale and retail buyers.

The Sri Lanka Apparel’s, Garments without Guilt website was the core base of information, since it had all the details of the programme. The other social media channels essentially had relevant and small snippets which were used to engage those audiences and led them to the main website. Advertisements were also placed on different trade websites. The specific sources who were directly contacted were the trade magazines, possible buyers across the US to whom a direct mail was sent.

Whilst this system had initial support from the members, there was no sustained mechanism to ensure its adoption across the industry. Many of the larger apparel companies did not think there was an advantage in doing so, as they felt that they already had their own “brand” supporting their individual promotional efforts. Many smaller manufactures adopted this as they saw a benefit through a collective approach as they did not have the marketing power that the larger players had at their disposal.

The launch of the brand resulted in impressive global media coverage:

- The concept was showcased on the BBC and Al Jazeera
• The Sri Lanka story was well covered in international industry publications

   ![Image of Sri Lanka fashion show]

   Can ‘Garments without Guilt’ raise the bar for Sri Lanka?

   Sri Lanka’s apparel industry is joining its buyers on its “garments without guilt” initiative to give it a competitive edge as an ethical producer in a crowded international market. It’s a bold stance, but one the country believes will help enhance buyer loyalty and tap into consumer concerns over the conditions in which their clothes are made. Louise O’Brien reports.

   If the Sri Lanka apparel industry has any way, garments sourced in the country and appearing on sale in stores all over the world could soon be displaying long tag proudly declaring them to be “garments without guilt.”

   This is just one of the initiatives being led by the country’s Joint Apparel Association Forum (JAAF), the body that represents all of Sri Lanka’s textile and apparel businesses, as it rolls out its industry-wide image-building campaign into new markets such as Europe this year.

   It has also signed up international auditing company SGS to provide independent assurance to retail buyers that clothing sourced from the island’s garment factories meets ethical conditions.

   So far, 47 factories have been certified by SGS under the Garments Without Guilt (GOG) programme, and more factories are queuing up for assessments.

• And the brand became the distinctive positioning for the industry at international industry fora

The “Garments without Guilt” brand enabled Sri Lankan apparel producers remain competitive while paying higher wages than other countries.

Although this brand helped position and reinforce Sri Lanka as an ethical apparel manufacturer, the initiative was not sustainable due to lack of widespread adoption across the industry, and because there was no strict enforcement policies, it lost relevance. This campaign demonstrates that unless there is buy-in from large players and adoption is mandated across the industry, sustainability of even a very good campaign may not be feasible.
3.2. ICT/BPM sector branding examples of other countries

Other countries which were previously little known for their services have repositioned themselves as leading knowledge services exporters:

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<td>Korea</td>
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<td>Egypt</td>
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<td>Bangladesh</td>
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Sources: IMF Exports of ICT & Other Business Services

Korea has followed a very deliberate strategy since 2005 to transform itself from a manufacturing powerhouse to a creative powerhouse:

By 2005, Korea had risen to become one of the world’s 10 largest economies, and a major exporter of manufactured goods such as ships, automobiles, appliances and so on. However, the government recognized that the country would become increasingly trapped between the high-end innovation of Japan and the manufacturing competitiveness of China. In order to continue growing the economy and escape the “middle-income trap”, the country needed to develop its service sector and also stimulate knowledge-based innovation so that industry moved from low-cost manufacturing to development of high-value products. The government developed a new strategy and vision of the country to transform itself from a manufacturing powerhouse into a services and innovation centre.

An assessment was conducted in order to understand Korea’s strengths and weaknesses, Korea’s position relative to key competitors, the likely future strategy of these competitors, and broader global trends shaping the future of manufacturing, services and innovation over the next 20 years. The process included numerous workshops with government leaders, industry stakeholders, academics and think-tanks, and resulted in the launch in 2007 of the “Industrial Innovation Strategy for 2015”. The strategy recommended 7 key initiatives and identified hundreds of specific action steps required to transform Korea into a creative powerhouse. Alongside increased R&D in the manufacturing sectors, the strategy recommended development of a national “creative Korea” brand and promotion of education, medical and creative services as new export sectors. A new Ministry of the Knowledge Economy was created in 2008 to spearhead and coordinate efforts to implement the new strategy.

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A.T. Kearney conducted the assessment through an intensive 18-month process with a team of more than 50 consultants.
Almost immediately, Korea’s image on the international stage began to change: Korea became the largest exporter of “cultural content” (e.g. K-Pop, TV shows, films, etc.) in East Asia, and Korean innovation in mobile technologies and medical techniques made global headline news.

During national elections in 2012, the successful candidate for President based her campaign around the theme of “Creative Korea” and published a book with the same title. After the election, a new Ministry of Science, ICT & Future Planning (MSIP) was established, bringing together the former ministries of Knowledge Economy and Education, Science and Technology. In 2013, the government launched the Action Plan for the Creative Economy, and established the “Creative Economy Commission” led by MSIP and other Ministries. In 2014, recognising the private sector needs to play the leading role in promoting a creative economy, the Commission was replaced with the Creative Economy Initiative Public–Private Partnership.

In 2016, the slogan “Creative Korea” was officially adopted as the logo for all international promotion activities – not just for the creative industries, but also for tourism promotion, export promotion, etc. In accordance with the original vision for Korea to become a “global industry integrator”, when international missions are conducted to promote Korean creativity and innovation, the creative term is applied both to Korea and to the host country (e.g. “Creative France – Creative Korea”) – to emphasize that Korean innovators want to partner with innovators in the host country. However, the impact of this adoption is yet to be seen.

Korea’s repositioning as a centre of creativity and innovation has had spectacular results. Over the last 10 years, the value of Korea’s services exports has risen from less than US$50 billion to over US$120 billion, and GNI per capita has risen from US$17,800 to $27,450. This is in comparison to the value of global services exports which has risen from US$2,516 billion to US$ 4,872 billion, and global GNI per capita which has risen from US$7,347 to US$10,548, over the last 10 years.

**Egypt’s early investment in branding and marketing has enabled the ICT-BPO sector to recover despite the country’s political upheavals.**

In 2004, observing India’s emerging success as a global centre for offshore services, Egypt’s new Minister for Communications and Information Technology (MCIT) identified the ICT and BPO sectors as a potential driver for much-needed export-growth and job-creation. The IT Industry Development Agency (ITIDA) was established to spearhead development and promotion of the industry.

A research identified that Egypt had excellent assets for delivery of ICT and BPO services (including a highly-skilled talent pool, low labour costs, multilingual language capabilities, proximity to major markets in Europe and the Middle East, and attractive investment incentives), very few global executives were aware of these advantages: when surveyed about Egypt’s potential as a source of IT-BPO services, many executives laughed at the idea.

In 2006, ITIDA developed an international branding campaign for the ICT-BPO sector in Egypt. A series of workshops with industry leaders to identify Egypt’s strengths, prioritise the key markets and subsectors to be targeted were conducted, and the detailed messages to be conveyed were agreed among stakeholders. Then, further research on Egypt’s prevailing global image was taken, and a comprehensive global communications campaign under the slogan “**Egypt ON**” was developed.

The slogan was approved by industry stakeholders, and a comprehensive set of supporting materials and activities to support promotion of the new logo were developed. Because this was targeting businesses, they did not spend money on mass media, but focused on specifically targeted industry channels. These included:
A standardised brand identity to be used on all communication materials: the logo itself, key messages, brand guidelines, etc.

A full set of supporting promotion materials: artwork, stationary, press-briefings, give-aways, a photo gallery of 750+ photos, multiple brochures and 4 corporate films

Multiple events to promote the new logo and Egypt’s strengths as a centre for IT-BPO services: the logo is used on Egypt’s pavilion at all sector trade fairs, and Hill Knowlton has organised several special events including an Analyst Summit, Press Tours to Egypt, etc.

Comprehensive online marketing through the ITIDA and Egypt ON websites and through social media networks (LinkedIn, Facebook, Twitter, YouTube, etc.)

Targeted outreach to influential industry analysts, including commissioning a series of reports, essays and surveys on Egypt’s ICT-BPO sector

Media coverage: more than 600 articles in international media and more than 180 media interviews

Recognition and Awards: successfully positioned Egypt ICT-BPO to win multiple international industry awards, including twice winning “Outsourcing Destination of the Year” from the European Outsourcing Association and from the National Outsourcing Association

To this day, MCIT, ITIDA and industry stakeholders continue to use the Egypt ON logo and promotion materials in all communications. Like the Ceylon Tea Lion Logo, consistent promotion of the same brand has gradually changed Egypt’s image in the minds of global executives. Within 2 years of the launch of the sector growth strategy, Egypt had transformed itself from an under-performer in the ICT/BPO arena to one of the top 5 most-recognised global locations for ICT and BPO services. Between 2006 and 2008, Egypt’s exports of ICT and business services more than doubled from $1.8 billion to over $3.6 billion.

The Arab Spring in 2009 and the resulting political upheavals in Egypt seriously damaged the country’s image and reduced international customers and investors willingness to source services from Egypt. Exports of ICT and business services shrank to less than $1.5 billion in 2011-2013. Many of the multinationals who had invested in the sector in Egypt scaled back operations due to security concerns, but interestingly very few actually pulled out completely. As a result, since 2013, the sector has rebounded and exports now exceed $2.5 billion per year.

Egypt On is an interesting example of a strong brand’s ability not just fuel growth but also to limit damage in times of crisis. When strong brands like Bali’s tourism sector or Volkswagen’s cars have been hit by terrorist attacks or emissions scandals, tourism arrivals and car-sales have dropped dramatically initially, but they have quickly recovered due to the strength of the brand in customers’ minds.

Like the Sri Lanka tea and apparel sectors, the Sri Lankan ICT/BPM sector needs to develop a similar brand-recognition not just to fuel growth but also to provide resilience in case of future global downturns or local crises.

Many other countries and cities, like Brazil, Chile, Malaysia and Dubai, have implemented similar multi-stakeholder, multi-year promotion campaigns in order to raise their global profile as sources of ICT, BPO and other knowledge services:

In the case of Brazil, the country has had a vibrant and sophisticated IT sector for many years, thanks in part to the complex technology demands placed on its financial institutions during the years of hyperinflation in the 1980s and 1990s. The Brazilian IT sector was therefore shocked when India (with a domestic IT sector 1/10th the size) rose to prominence in the early 2000s as the most recognized source of global IT talent. In 2004, industry leaders, with significant support from the government, established BRASSCOM (modeled after NASSCOM in India) in order to coordinate and promote Brazil’s capabilities as a source of IT and BPO services.
In 2005, a competitive benchmarking was undertaken and an international growth strategy for the sector was developed. The strategy clearly identified US and EU financial institutions as the core target markets for the Brazilian IT sector, and Brazil’s timezone proximity and sophisticated IT solutions for financial services as the core differentiators. BRASSCOM then launched a series of roadshows to US and EU cities to promote these capabilities, under the slogan “Intelligent Nearshore Outsourcing”.

To this day, BRASSCOM continues to operate as the umbrella association for the sector, bringing together leading companies, as well as government agencies, universities and other stakeholders. The association receives significant financial support from APEX-Brasil (the government promotion agency), BNDES (the government development bank) and other ministries. In 2009, the industry selected “Brasil IT+ Value Beyond Expectations” as the overarching brand for international promotion of the sector. To quote from BRASSCOM’s own materials “the brand allows Brazilian companies and representative entities of the IT sector to have an identity that is recognized in any part of the world, supporting its export promotion and internationalization initiatives. The brand Brasil IT+ certifies the competence and quality of Brazilian IT and warrants the delivery of efficient and innovative practical solutions by means of the singular combination of attributes Brazil has to offer: business expertise, creativity, flexibility, diversity, infrastructure and excellent conditions to make solid partnerships.”

In other cases, such as Malaysia and Dubai, specific geographically-defined development zones have been created to spearhead promotion of the IT and BPO sectors.

In Dubai, Dubai Internet City (later expanded to include Dubai Media City and Dubai Knowledge Park) was created in 2000 as a dedicated economic zone to drive development of the IT, BPO and knowledge services sectors. Over the last 15 years, DIC and related entities have spent millions of dollars positioning Dubai as the preferred location for high-end IT centres serving regional emerging markets (with a particular emphasis on Dubai’s superior infrastructure, stability and security, compared to other lower cost locations in the region).

In Malaysia, as early as 1996, the government created the Multimedia Development Corporation (now called the Malaysia Digital Economy Corporation) and the Multimedia Super Corridor to develop, coordinate, and promote Malaysia’s digital economy and information and communications technology (ICT) industry. MDEC and MSC have successfully attracted more than 3,800 companies from more than 40 countries to establish operations in Malaysia, employing more than 150,000 high-income knowledge workers.

What is most notable about the cases of Dubai and Malaysia is the scale of resources that have been dedicated to international promotion: aside from spending on international consultants and PR companies, both countries always have a very large presence at international trade fairs related to the ICT and BPO industries.
3.3. Lessons learned from successful country-level branding in other sectors & countries

Several common features stand out from these successful national-level branding campaigns for ICT/BPM and other export sectors:

1. Extensive stakeholder input, with a particular emphasis on input from industry-players who understand what messages are relevant and credible for their customers, while differentiated from their competitors.

2. Joint private sector and public sector support; the strongest campaigns, like those in Egypt and Malaysia, have benefitted from very significant funding from government agencies, while fully addressing the needs and leveraging the strengths of the private sector. In Egypt, the branding campaign was initiated by the government agency ITIDA, Similarly in Malaysia, the government agency MDEC, with public funding, pioneered the branding of the industry with inputs from the private sector, as was the case for branding of ICT/BPO of Dubai. Further, private sector industry bodies such as NASSCOM in India and BRASSCOM in Brazil initiated and managed the branding of the industry whilst receiving funding from the government. In the case of the Sri Lankan industry, an appropriate model would be recommended during the implementation stage.

3. Multi-year commitment: the most successful campaigns have retained and promoted the same brand for multiple years, sometimes even decades, even during tough periods; like famous consumer brands, repeated viewing of the same words and visual identity gradually reinforces the country’s image in the minds of potential customers and investors. Firstly, in order to ensure a multi-year commitment, it is vital to have a good brand. In addition, it is essential to have a dedicated funding source in place, which could be achieved through; levies imposed on the industry, investment from the industry itself or a trust fund established by the government (India has been very successful in this regard, through its trust fund IBEF).

4. Emphasis on how, not what: given the multitude of individual companies and products/services to be promoted by the brand, many of the national brands tend to focus on the attributes that the country/sector wants to be known for, not a specific subset of products or services: i.e. creativity, value, quality, innovation, ethics, etc.
4. Existing initiatives to raise the visibility of Sri Lanka’s ICT/BPM sector

The Sri Lankan government, industry stakeholders and development partners have clearly recognised the potential for growth of the ICT/BPM sector.

Numerous government agencies have programs to support the development of the sector, and several development partners have sponsored projects to support institution-building, capacity-building, export promotion and investment promotion in the sector. In addition, industry participants have formed a number of associations to promote the interests of the sector, notably SLASSCOM and FITIS, and these work closely with other chambers to promote the sector.

In Sri Lanka, the responsibility for the promotion of the ICT/BPM industry is predominantly split across 3 government agencies; the Information and Communication Technology Agency of Sri Lanka (ICTA), the Export Development Board (EDB) and the Board of Investment (BOI).

In 2002, the government with the support of several development partners, launched the e-Sri Lanka initiative and ICT Development Roadmap. To spearhead the implementation of this strategy, the government passed the ICT Act of 2003, and the ICT Agency (ICTA) was created as a government-owned company. ICTA’s primary focus is to develop use of IT within Sri Lanka (government and society), but the agency also takes initiatives to support development of the local ICT and BPM industry. With the government’s ICT Act of 2008, ICTA became a permanent entity, and is now responsible for implementing all ICT projects initiated by the government and is tasked with leading the ICT direction of the country.

The EDB is Sri Lanka’s apex organization for the promotion and development of exports established in 1979 under the Sri Lanka Export Development Act No. 40. Its mandate includes implementation of programmes to promote Sri Lanka’s products and services, co-ordinate export development activities with stakeholders and advise the Government on export policies to create a conducive environment for exports. While its mandate covers all export industries, ICT/BPM is one of the service industries that it focuses on.
The BOI is the central facilitation point for investors, inaugurated under the Board of Investment Act, No. 4 of 1978. BOI has identified the knowledge services as a key sector for growth and investment.

Industry leaders came together in 2008 to establish SLASSCOM, as a private sector industry body, with a mission to promote exports of ICT and BPM services. SLASSCOM acts as a catalyst for growth of the IT and BPM industry in Sri Lanka by facilitating trade and business, propagation of education and employment, encouraging research and innovation, and by supporting the creation of a progressive national policy framework.

FITIS is also an industry body, with private sector representation, established to promote the contribution from the digital technology to Sri Lanka's economy. FITIS promotes industry growth through advocacy, public policy, education, networking, professional development, events and business development opportunities.

Some of the key independent / joint initiatives launched by the stakeholders to build the ICT/BPM sector’s visibility are as follows:

Several studies were launched to better understand the Sri Lankan industry, whilst helping to position Sri Lanka’s ICT/BPM industry in the global market. EDB commissioned the first “Export Value Survey of the Sri Lankan IT/ITES Industry” in 2007 and repeated the surveys in 2010 and 2015. In 2007, Sri Lanka was included in the A.T. Kearney Global Services Location Index (GSLI) for the first time. PwC in collaboration with SLASSCOM conducted the first annual “IT and ITES Sector Salary & Benefits Study” in 2010, helping to highlight the sector’s cost-competitiveness to potential customers and investors. SLASSCOM and ACCA jointly published the “Sri Lanka Finance and Accounting Outsourcing Overview” in 2011, highlighting Sri Lanka’s strength in finance and accounting. ICTA commissioned a competitive benchmarking of the Sri Lanka Knowledge Services sector. The report published as a result in 2012, clearly identified Sri Lanka’s strength as a location for delivery of knowledge services. SLASSCOM, ICTA, EDB and BOI make extensive use of the report to create awareness of Sri Lanka’s assets among global executives.

ICTA published the first general brochure in 2011, about Sri Lanka’s advantages as a source of ICT and BPO services titled: “Sri Lanka: South Asian Affordability with Western Quality Standards”. EDB, BOI and ICTA sponsored a number of ICT/BPM promotion missions to key target markets; including Australia, UK, Nordic countries and Japan from 2012 onwards. Active promotions by SLASSCOM resulted in Sri Lanka being selected as the ‘Offshoring destination of the year’ by the National Association for Outsourcing (NOA) in the UK for two years consecutively. To further strengthen the sector in year 2014 ICTA, in collaboration with SLASSCOM and FITIS, launched a campaign under the theme “Sri Lanka IT-BPM Destination” which consisted of website, video and a brochure. In year 2016, Sri Lanka and Australia Chamber of Commerce, in partnership with EDB, ICTA and SLASSCOM hosted the inaugural Australian IT/BPM focused business mission to Sri Lanka. To emphasize Sri Lanka’s potential as a source of full range IT-Enabled professional services, SLASSCOM officially changed its tag-line to “The Knowledge & innovation Chamber”.

SLASSCOM convened a series of industry workshops and launched a strategic plan in 2011 to reach $1 billion in ICT/BPM export revenues by 2015. Given Sri Lanka’s strength in accounting, law, medicine, etc., the strategy recognized the need to shift focus from pure IT/BPO services to more broader “knowledge services” and called for a coordinated international branding campaign to promote the visibility of the sector. SLASSCOM began outreach to other professional associations such as CIMA, ACCA, etc.

In 2013/2014, ICTA supported SLASSCOM in developing a comprehensive vision and strategy for the sector, resulting in ‘Vision 2022’ being set up with a target to earn $5 billion in export revenue by 2022. Coordinated branding and targeted promotion were identified as top priority in achieving this target. SLASSCOM published this “Vision 2022” in year 2016 to inform international and local stakeholders about the sector’s potential and policy proposals. “Country Overview of the Start-up Ecosystem in Sri Lanka” another publication by

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3 Export Value surveys were conducted by PwC on behalf of EDB.
SLASSCOM, was useful in providing insights on growth barriers, opportunities, skills and future outlook for startups in Sri Lanka.

Several recent studies mentioned above have identified improved marketing and visibility as the top priority for continued growth of the knowledge services sector.

- In 2012, A.T. Kearney’s “Competitive Benchmarking of Sri Lanka’s Knowledge Services” identified marketing and branding as the priority area for improvement:

  1. **Branding and Marketing**
     1. To overcome lingering misperceptions, launch **coordinated branding campaign**, similar to IBEF. Leverage cross-industry linkages (high-value, ethical products, services, and tourism) and targeted low-cost c-channels
     2. To make IT/BPO/KPO execs aware of opportunity, organize **targeted campaigns /roadshows** with focus on customized materials and 1-to-1 CXO-level meetings. Focus on India, UK, Singapore, Australia, SAARC/ASEAN/GCC, and US/EU

- In 2014, SLASSCOM’s Vision 2022 developed with support from ICTA, identified “breakthrough marketing and promotion” as the #1 action required to achieve the 2022 targets:

  Achieving this vision will require concerted action by government, academia and industry in four key areas:
  1. Breakthrough marketing and promotion
  2. ...

- In 2015, at the request of industry stakeholders, EDB convened a special committee chaired by the Sri Lanka Institute of Marketing to assess the need for a national ICT/BPM brand; an extensive survey of industry stakeholders confirmed that development and promotion of a national brand would be highly beneficial for sector growth and individual SMEs' export sales.

Of the existing initiatives, the “Sri Lanka IT-BPM Destination” campaign, launched by ICTA and SLASSCOM in 2014, has been the most comprehensive and sustained branding initiative to date, with a website, video and brochure.
“Sri Lanka IT-BPM Destination” campaign focused on promoting Sri Lanka as a hidden gem for software product engineering and financial services outsourcing. Leveraging key characteristics such as extremely low costs, English speaking population, sophisticated technical skills, a business environment and infrastructure superior to most low cost countries, and recognition as one of the safest, lowest-risk emerging markets both in terms of personal safety and business security, the Sri Lankan ICT/BPM sector was marketed around the world. However, stakeholders believe that the current prevailing brand “Sri Lanka IT-BPM Destination” does not adequately reflect the capabilities of the industry. Compared to best practices in other countries and sectors, it has several weaknesses:

- “IT-BPM” is too narrow a term – it excludes the higher-value professional services where Sri Lanka has particular prowess (e.g. financial analytics, legal and medical services, architecture and design, etc.)
- “IT-BPM” is too technical and dry: unlike Garments without Guilt or Creative Korea, it does not evoke the distinctive way that companies in Sri Lanka solve problems and deliver solutions
- “Destination” only suggests that Sri Lanka is a destination for investors - it does not help local SMEs promote Sri Lanka as a source of outsourced solutions for their buyers, rather than as an investment destination for FDI
- The whole term “IT-BPM destination” offers no differentiation – India, Philippines, Brazil, Malaysia, for that matter more than 50 countries in the world, could label themselves as a “IT-BPM destination”.

In recent years, individual ICT/BPM companies and organisations have also developed their own presentations introducing Sri Lanka’s capabilities:

- LSEG, the parent company of MillenniumIT, which has invested heavily in establishing its main IT and BPM operations in Sri Lanka, has coined the term “Silicon Island” and developed a presentation and video showcasing Sri Lanka’s capabilities in the sector
- The owners of Orion City, Sri Lanka’s premier business park for ICT and BPM companies, has also sponsored a number of missions and presentations to promote investment in the ICT/BPM sector in Sri Lanka
- A number of other companies, including John Keells and Cake Labs, have also produced general presentations about the country’s assets as a source of IT and BPM skills

Alongside these steps in the ICT/BPM sector, a number of other initiatives have been launched to increase the visibility of innovation in Sri Lanka.

- The Coordinating Secretariat for Science, Technology and Innovation (COSTI) has launched the **Sri Lanka Innovation Dashboard** to track and showcase local innovation:
The National Science Foundation and six companies have established **SLINTEC** as a national innovation platform to help increase Sri Lanka’s high tech exports through commercialization of nanotechnology:

As a result of these initiatives, the sector enjoys some global recognition and visibility:

- Sri Lanka was selected as the Offshoring Destination of the Year by the National Association for Outsourcing (NOA) in the UK in both 2013 and 2014, and was shortlisted for the award in 2015
- Sri Lanka has risen from 29th position in the 2007 Global Services Location Index to 14th position in 2016
- Sri Lanka ranked 12th in IBM’s Global Location Trends Report
- Tholons ranked Sri Lanka 16th among the top 100 Outsourcing destinations for 2015
- Global Services Magazine ranked Sri Lanka among the top 10 emerging global destinations and one of the global centres of excellence for finance and accounting outsourcing (FAO)
- Gartner ranked Sri Lanka among the top 30 leading locations for offshore services and among the top 9 in Asia

And an increasing number of globally-recognised companies have increasingly chosen to source IT, BPO and other knowledge services from Sri Lanka. Well-known names include:

However, stakeholders in the industry clearly do not believe that current branding and promotion efforts for the knowledge services sector in Sri Lanka are sufficient. When we interviewed stakeholders, all agreed that improved global recognition is the number one priority for growth of the sector. Local SMEs in particular complain that they must first explain Sri Lanka’s general ICT and BPM capabilities, before they can begin to sell
their company’s specific solutions and skills. When international investors and buyers are surveyed about locations that they are considering for delivery of IT and BPM services, Sri Lanka does not even get mentioned.

In the absence of a single, widely adopted brand, individual companies and other organisations have developed their own brands and slogans (Silicon Island, Smart Island, Knowledge Hub, etc.). Not only does this diminish the economies of scale, impact and visibility of a single brand, but it also risks creating confusion in the mind of investors and buyers.
5. Aspects to consider in developing Sri Lanka’s ICT/BPM brand

To increase visibility, the sector needs a unified “brand” and a cost-effective plan for publicising this brand through as many channels as possible.

Building an effective global brand for the knowledge services sector in Sri Lanka will require:

1. A widely-adopted logo or tag-line that is used in all advertising, promotion materials, individual company presentations and brochures, etc.; as with corporate logos like Apple or Coca Cola, repeated viewing of the same words and visual identity gradually reinforces the country’s image in the minds of potential customers and investors
   - Sri Lanka’s own Ceylon Tea Lion and Garments without Guilt logos are successful examples
   - “Egypt ON” and Ireland’s “Knowledge is in our Nature” have had similar impact in the ICT and BPO sectors

2. A convincing series of supporting case studies and promotion materials which illustrate and bring to life the attributes expressed by the overarching logo or brand
   - These should include recent ICT and BPM success stories, but they can also include broader examples of the country’s skill-base, historic performance in science and track record in innovation

3. Ideally, a set of performance standards that companies in the sector must sign up to, if they wish to utilise the brand – so that the values expressed by the brand are upheld
   - The certification processes required in order to utilise the Ceylon Tea logo or the Garments without Guilt logo are good examples

4. A coordinated publicity campaign to make the target audience (global executives) aware of Sri Lanka’s capabilities
   - Since the target audience is not mass consumers, but a relatively select group of senior executives, this does not require expensive media-advertising, but it does require smart use of specific channels to reach and convince these executives – e.g. articles and case studies in professional publications, presentations at trade events, reports by well-known analysts, well-planned missions to meet target executives in specific countries and sectors, leveraging the Sri Lankan diaspora working in these sectors, etc.

To define the overarching brand, the key is to find a unique selling point (USP) which is relevant for customers, differentiated from competition and credible for stakeholders. The brand needs to express a positioning which all stakeholders feel is relevant to their business and customers, while explaining how Sri Lanka is in some way distinctive:
Past attempts to define a single logo or tag-line have got caught up with debates about the scope of exactly what is to be promoted:

- Since government agencies are primarily interested in promoting Sri Lanka as a destination or location for investors, many of the existing branding statements tend to focus on promoting Sri Lanka as a place (e.g. “Sri Lanka – IT-BPM Destination”)

- However, in an interconnected world where customers want world-class skills and global solutions regardless of location, industry stakeholders do not want to emphasise the delivery location, as much as the skill-base and solutions that Sri Lanka can offer. Furthermore, many of the companies with operations in Sri Lanka also have operations in other countries – they want to emphasise their global skill-base and solutions, not their location.

The branding message should focus on the capabilities and skills of the knowledge sector in Sri Lanka, not where it is located. Garments without Guilt is a good example – the message focuses on what the industry produces and how it is produced, not the location.

Exports of ICT and BPM services are just part of the larger “knowledge services” sector.

Thanks to technology, any knowledge product that can be digitised (e.g. design, engineering, medical know-how, legal services, etc.) can now be created and delivered remotely to customers anywhere in the world.

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<thead>
<tr>
<th>IT Services</th>
<th>Research &amp; Analysis</th>
<th>Engineering &amp; Design</th>
<th>Professional Services</th>
</tr>
</thead>
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<tr>
<td>• Software coding &amp; testing</td>
<td>• Data mining</td>
<td>• Engineering</td>
<td>• Accountants/Auditors</td>
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<td>• Application integration</td>
<td>• Information research</td>
<td>• Design</td>
<td>• Travel Services</td>
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<td>• Technical support</td>
<td>• Knowledge management</td>
<td>• Architecture</td>
<td>• Legal Services</td>
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<td>• Application hosting</td>
<td>• Analysis &amp; projections</td>
<td>• Graphics</td>
<td>• Consultants</td>
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<td>• Product development</td>
<td>• Modeling</td>
<td>• Advertisingx’</td>
<td>• Financial Advisers</td>
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<th>Transaction Processing</th>
<th>Contact Centers</th>
<th>Content Development</th>
<th>Health &amp; Education</th>
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<td>• Data entry</td>
<td>• Internal / external</td>
<td>• Web-design</td>
<td>• Diagnostics</td>
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<tr>
<td>• Accounting</td>
<td>• Inbound / outbound</td>
<td>• Editing / translating</td>
<td>• Clinical Trials</td>
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<td>• Payment/receipt processing</td>
<td>• Sales &amp; marketing</td>
<td>• Writing</td>
<td>• Education content and delivery</td>
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<td>• HR management</td>
<td>• Correspondence</td>
<td>• Animation &amp; Art</td>
<td>• Online Training content and delivery</td>
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Evolution over time

Given the proliferation of IT-enabled knowledge services, past attempts to agree on what products or solutions should be promoted have been controversial.

- The first challenge is that the logo needs to embrace both the ICT and the BPO-KPO sectors – terms like “Silicon Island” highlight Sri Lanka’s capabilities in the IT sector, but they do not draw attention to the country's skills in finance, accounting, law and other professional services.
Even a term like “IT-BPM” tends to bring to mind images of low-end software development and process management (e.g. contact centres, data entry, etc.), not the higher-value professional services where Sri Lanka has particular prowess (e.g. financial analytics, legal and medical services, architecture and design, etc.)

On the other hand, a brand that only promotes Sri Lanka as a source of high-end product engineering and knowledge-process outsourcing would be of little use to many companies in Sri Lanka who do offer more basic software services, data entry services and contact centres.

Rather like Garments without Guilt, the chosen tag-line needs to focus less on where the industry is located or on the specific products that are produced, but rather on the distinctive way that they are produced.

In the implementation of a successful branding campaign, stakeholder capacities will also need to be taken into consideration.

When considering the main government agencies involved in promotion of the ICT/BPM industry, the BOI’s focus is on bringing investment to the country. Promoting existing local or foreign companies do not come within their purview. The EDB focuses itself with export promotions. Their traditional promotional efforts have focused around specific products or potential markets, hence would not have the required capacity and experience in business to business (B2B) marketing campaigns on their own. ICTA is responsible for the digitization of the country, fostering the country’s IT education needs thus, encouraging the uptake of IT by government and private firms. They do have a small unit which is responsible for the ICTA’s ‘Business Promotion’ project that focus on promoting Sri Lanka as a destination to source technology and skill. However the current capacity of this unit will not be sufficient to actively promote the country in the international market.

When considering an overarching branding campaign for Sri Lanka, as the target audience is not mass consumers, but a selected group of ICT/BPM senior executives, more capacity building will be required to improve efforts in coordinating with sophisticated clients, influential industry analysts, publishers of industry magazines etc.

Private sector ownership and active participation from the outset will be crucial for a successful branding campaign. The key industry organisations SLASSCOM and FITIS will need to be engaged in this process and could play an active role. The detailed roles and responsibilities of the stakeholders organisation will be identified at the implementation stage.
6. Key strengths/messages to be promoted

In our interviews with a cross-section of stakeholders (from IT to BPO & KPO, and from MNCs to SMEs), two distinctive features kept being emphasised:

- Superior capacity for innovation, creativity and problem-solving
- Sri Lanka’s smaller, more nimble centres are well-suited for servicing smaller customers and projects

These attributes – small teams of highly-skilled people adept at solving problems – also fit well with the profile that Sri Lankan expatriates are known for in many countries – as doctors, accountants, lawyers, engineers, etc.

This distinctive capacity for solving complex problems and serving smaller clients should be at the core of brand. The core brand needs to emphasise Sri Lanka as a source of creative solutions and problem solving skills across knowledge services, not just as a location for delivery of “IT-BPM” services:

The strengths of the Sri Lankan ICT/BPM industry are its “People”, the “Products” it offers and its location - “Place”. The Sri Lankan workforce can be described as creative, problem-solvers, who are reliable professionals with sophisticated technical skills. Further, the industry consists of small players who are more agile and responsive to their customers’ needs, enabling them to deliver a more personalized service. The products and services that the Sri Lankan industry offers are predominantly “Solutions” to complex problems and are targeted at higher-end markets. Finally, as a location, Sri Lanka’s close proximity to India, its superior infrastructure, the healthy business environment in place and better quality of life makes it the ideal place for prospective investors and buyers. Therefore, the brand should encompass all of the above benefits, in order to highlight Sri Lanka’s competitive advantage in the global sphere.
These attributes are consistent with the priority markets and sectors identified in the Vision 2022 strategy.

A three tiered progressive approach is proposed for the industry to become centres of excellence in both IT and BPM sectors by the year 2022— from a natural India +1 choice to being top 3 in the region to top 3 globally. The IT industry will have to move from standard captive/outsourced software development to more complex customized solutions and high-end product engineering leading to patentable software solutions. BPM industry is evolving from being general captive/outsourced business process management and contact centres to a more specialized finance and accounting outsourcing destination, leading to higher value added sophisticated accounting services and financial analytics and becoming the centre for knowledge process outsourcing in specialized areas. Harnessing the Sri Lankan ICT/BPM industry’s unique selling points (USPs); superior product engineering, accounting and KPO talent, competitive costs, stable business environment, highly desirable lifestyle and its close proximity to India, through a brand will be crucial in achieving these targets.

They also fit well with the country’s historical track record in knowledge and innovation

Sri Lanka’s illustrious civilisation with their superior hydraulic engineering, architecture and language skills could be a strength to be highlighted to promote the innovative skills of the country. Its rich cultural heritage accounts for its long life expectancy, advanced health standards and high literacy rate. Sri Lanka is an early regional leader in sectors such as education, health and HDI, to name a few. Creativity of Sri Lanka’s citizens, which have been ingrained into them since ancient times, fosters an environment in which innovation can prosper.

Sri Lanka is also recognized as one of the lowest-risk emerging markets, both in terms of personal safety and business security. Among other key strengths that could be linked are the countries, quality of life, business and cultural openness and enabling environment for entrepreneurship.


7. Conclusions and next steps

Based on this analysis of international benchmarks and the weaknesses in the ICT/BPM Sector’s global branding, the conclusions of the gap analysis are as follows:

1. An **overarching national brand** (and creative use of cost-effective channels to promote this brand) is critical to accelerate growth and reduce selling costs for entrepreneurs in the sector.

2. The brand must promote Sri Lanka as a **source of innovative solutions across knowledge services**, not just a subset of ICT/BPM services (ideally Sri Lanka’s **lifestyle advantages** should also be conveyed).

3. The brand may be aspirational, but it should be **backed by compelling examples and a set of standards** that motivate stakeholders to “live” the brand.

In order to define the overarching national brand and design a comprehensive action plan for promoting this brand, the next steps will be as follows:

1. Create an “idea-map” of key attributes that need to be conveyed by the brand, as well as a database of case-studies and examples that confirm and support these attributes, and potential performance standards that could be applied to companies that want to use the brand.

2. Hold a small workshop with key stakeholders to hone in on the best 2-3 options and collect their ideas for additional case-studies and examples.

3. Refine the best 2-3 options and present the preferred option; enlist the support of industry leaders to secure buy-in from the broader stakeholder community.

4. Prepare outlines and guidance for a full-set of promotion materials and activities to be developed to publicise the brand, as well as a set of performance standards and a certification process to be applied to companies that want to use the brand on their own materials.

5. Host a launch event to present and explain the brand and to announce the full-set of promotion materials and activities to be rolled out.