A Global Presence



Copal Amba is a leading provider of offshore research and analytics services not only in Sri Lanka but globally. Armed with an impressive portfolio of clients that include leading bulge-bracket financial institutions and Fortune 100 corporations, Sri Lanka was the starting point of this KPO, which now has a global presence covering almost every continent. Chanakya Dissanayake, Country Head of Copal Amba Sri Lanka shares his thoughts on the progress of the company, its functions and future plans.

By Krishani Peiris | Photographs Isuru Upeksha

What is Copal Amba and can you briefly explain the journey since its inception?
Copal Amba is a Moody's Analytics company. We are a fully owned subsidiary of Moody's, which is a Fortune 500 company, known well for its ratings and operations as it is one of the two largest international global credit rating agencies. We are part of Moody's Analytics, a subsidiary aimed at providing analytical and technological solutions to financial institutions on a global scale.

Amba Research merged with Copal Partners in 2013, forming Copal Amba and our ultimate investor was Moody's. The Amba Research part of the business started here in Sri Lanka, which is a great source of pride for us as Sri Lankans. The founders of Amba Research were primarily managing directors of global investment banks; Brad West, Andrew Houston, Mohan Alexander and Anand Aithal who came from organisations such as Deutsche Bank, Goldman Sachs, J P Morgan and Jardine Fleming. They wanted to start a company that provided high quality equity, fixed income and quantitative research support to global investment banks and asset management firms.

One of the founders, Andrew Houston knew Sri Lanka because he was previously the Head of Asia Research at Jardine Fleming, which had a joint venture back in the early 2000s. Therefore, he was aware of the quality of the analyst talent that we have in Sri Lanka. He knew that even though we are a small country, we have many people with foreign accounting qualifications as well as qualifications such as the Chartered Financial Analyst (CFA) Programme. These factors brought him to Sri Lanka to start the first operation of Copal Amba in Colombo. We started operations in October 2003 and myself together with two of my colleagues, one being Chamara Gunathilaka, who is running the quantitative research aspect of the business in Colombo, were part of the first batch that joined the company.

Within a short period of time, we were able to grow to include a number of clients. Then, the founders also started our operation in Bangalore, which is now the largest operation. And later on the business moved on to opening a centre in San José,

Costa Rica in order to provide a more near time zone support for our clients in the East Coast of the USA. Right from the start we have been primarily focused on providing investment research-related analytical and knowledge services, to capital markets clients.

Since 2014, Moody's own 100 percent of the company. How has this affected Copal Amba?

Moody's being one of the most well respected financial institutions in the Fortune 500 in USA has provided us with tremendous growth opportunities. We are already seeing our fixed income research part of the business growing and branching out into brand new customer categories. For example sometime back we were primarily focused only on the capital markets part of the business.

However, now we see even some of the commercial banking clients coming to us for credit research services for large lending authorisation purposes as we now have the backing of Moody's. Moody's Analytics is also a company that is growing very fast and they have excellent financial technology enabled solutions especially for stress testing of global banks, which is becoming a regulatory necessity. We believe that by being a part of Moody's Analytics we have many growth opportunities to expand our services and also grow our operation that is based out of Sri Lanka. This is mainly due to the fact that we have better opportunities to provide more advanced training in new areas of capital markets analysis and technology driven solutions.

What are the different services that Copal Amba offer?

Overall the company offers services under three large brackets, which include research and analytics, risk and compliance and business support. At Copal Amba Sri Lanka, our business is primarily focused on four categories. We have equity research that we provide for global sell-side firms, such as investment banks as well as asset management firms. Then we have fixed income research across high yield investment grade categories that we provide again for the same customer categories in sell-side and global buy-side. For example almost half of world's largest investment banks have been our clients for more than a decade. The same applies for global asset management firms.And we also provide outside equity and fixed income research as well, which falls under our quantitative research facility.

Back in 2005, we started our quantitative research, which is mathematical and statistical modelling support that we provide for global sell-side and asset management firms. This involves the services of people with advanced mathematical, technological, and software programming backgrounds who support the development of risk management frameworks and portfolio optimisation solutions to name just a few deliverables. The fourth category is that we provide technology enabled services for global asset managers to connect better with their investors in terms of fund marketing support, fund performance reporting solutions and presentation support that help them win institutional mandates to name a few recourses available.

You have a global presence spanning many countries. Can you elaborate on your role in Sri Lanka?

In Sri Lanka, when you look at the past 12 years, we believe that we were the only global knowledge process offshoring or KPO company that has been in operation. As such, we are also the largest recruiter, through the last 12 years, of young graduates with a finance background. And during the past ten plus years, the Colombo operation has created more than 40 CFA charter holders. I believe even for people with an advanced mathematics education, other than the Central Bank of Sri Lanka, we have always been the employer of choice.

As Of Now, We Have More Than 2,000 Analysts Globally, Which Makes Us The Largest Player In The KPO Industry And Here In Sri Lanka Our Delivery Centre Involves 250 Analysts

Copal Amba also acts as a catalyst for young finance graduates who complete their education overseas, to come back to Sri Lanka, as we provide the opportunity for them to work in world-class capital markets related services.

As of now, we have more than 2,000 analysts globally, which makes us the largest player in the KPO industry and here in Sri Lanka our delivery centre involves 250 analysts. Once again a great source of pride is that some of our analysts who have worked with us over the years, have risen to senior positions within the organisation, both locally as well as globally. For example our largest delivery centre in India is run by Chaminda Silva who was once a senior manager. Also when our Costa Rica delivery centre opened, Dr Kemal De Soysa, our former country head

led the operations. In addition to that, outside of Copal Amba many of our analysts have found very rewarding capital markets career opportunities, in major financial centres such as New York, London, Singapore and Hong Kong. There are many director level investment bankers, research analysts and fixed income research analysts, in these banks who essentially commenced their career with us many years back.

Here in Sri Lanka we are mainly focusing on the four categories and I would say the Sri Lankan operation has a nice balance between all four of these areas. We are the largest firm that provides global capital markets experience, we are well known for our training operations. Since the start, our founders have invested heavily in developing globally recognised analyst training programmes and back in 2009, the CFA Institute in the USA accredited our core investment analyst training programme.

Therefore, it has developed to such a degree that some of our capital markets clients regularly contract us to train their own new employees/trainees in London, New York and in many other locations. As such, training services is also one of the main focus areas of Copal Amba. If you look at the young graduates who join us, they are at the top of their batch and their objective of engaging with us is to obtain world-class experience at being capital markets analysts. So our training programmes are a huge differentiator, in both attracting the top talent that we require, as well as retaining the talent.

The analysts who join us have the ability, after some years of experience, to move from one asset class to another. For example an equity research analyst who has done well with our clients for about a period of two to three years, can be provided with the opportunity to learn fixed income research. And in the capital markets industry multi asset class experience is a massive personal differentiator.

Can you elaborate on the training programmes that you have?
We collaborate with some of the top universities in Sri Lanka. For instance, we work very closely with the University of Colombo which our recruitment teams visit to explain the capital markets industry, the work that we do with our top clients, and our training programmes. The main route that we use in connecting with students is

the investment analyst programme. We also have the support of the Security and Exchange Commission of Sri Lanka in running capital markets training programmes. Students who do well in these programmes, which are run in-house, can obtain internships and junior analyst positions within the organisation, and as their experience develops, they can move from one skill level to another where they have the opportunity to get promoted to higher designations as they build their careers.

People who complete a finance degree, chartered accounting, chartered management accounting, or ACCA qualifications apply to our junior analyst programmes where they have to face a three stage interview process.

Why should a client consider choosing Copal Amba?
There are many reasons as to why a client should choose Copal Amba. Global capital markets clients face many challenges, they operate in an industry, post 2008 financial crisis, that is very challenging, both in terms of growth opportunities, as well as making sufficient returns for their shareholders. As such, they use us not only for cost savings. Basically the capital markets industry is now very much global, so USA based investment banks may want a very global talent acquisition or supply chain in order to be competitive in all regions. Therefore, the analysts that basically work here in the Colombo office or for that matter in our other delivery centres in Gurgaon, Bangalore, Beijing or San José cover stocks in multiple geographies.

We provide global clients with a world-class compliance certified infrastructure that meets the highest regulatory standards that they need to adhere to. And as such, the number one reason to select us is compliance.

Number two is that we provide training infrastructure that is on par with global best practices and the quality of the analysts that we have within our organisation is very much on par with junior analysts who work at these financial centres-so the quality of the people.

One Fact I Want To Highlight Is That We Are The Only Player In This Industry That Has Hosted A Global Market Offshoring Strategy Conference

For Five Years Running.

The other competitive differentiator is the senior management with very varied domain skills. Our senior management brings multiple years of experience working with global investment banks, in equity, fixed income and quantitative research along with front marketing services. Therefore, clients do not need to spend much time and money on training our staff on their own. They are ready to start their work, and are managed in a very compliance driven way, that is on par with their own regulatory standards. So that is the reason why the banks choose us. And being a company that is fully owned by one of the world's most respected rating agencies, Moody's, also help us from a credibility perspective.

One fact I want to highlight is that we are the only player in this industry that has hosted a global offshoring strategy conference for five years running. This year, 2015, we conducted the conference in Bangalore while back in 2012 it was held in Sri Lanka. At each of these conferences, we saw almost 30-35 international global capital markets firms participating at a CFO, CIO seniority level. In fact I believe that the capital markets conference held in Sri Lanka saw the largest number of global investment banking senior managers coming down to the country in one instance.

Can you talk about the team members in the company, what you look at when seeking individuals to join your team and how the team has contributed towards the success of the company?

We primarily look at people with chartered accounting, finance, economics, and mathematical backgrounds-the top talents in those four disciplines. One thing we have realised is that we have plenty of opportunities to grow in Sri Lanka if we can have the talent supply, which will grow to meet our needs. During the past four years, in addition to promoting capital markets career opportunities to young graduates, we have taken a step further in working directly with universities, in order to provide the curriculum support and guest lectures. We strive to interact with the faculty members at the University of Sri Jayewardenapura, University of Colombo and University of Kelaniya. They have drastically improved the quality of their finance programmes and their faculty members are also quite young and entrepreneurial and very keen to build industry-academic partnerships.

We have also partnered very closely with the CFA Society in Sri Lanka in facilitating and supporting the University Research Challenge, which gives a great opportunity for finance students to participate in an investment research challenge, held globally by the CFA institute. We provide resources in terms of mentoring these students, acting as graders and providing them with the exposure to global best practices in investment research. It has become a great source of talent development not only to us, but also to the Sri Lankan capital markets industry. Back in 2008, we even directly collaborated with the mathematics department of the University of Colombo, when they launched the Masters in Financial Mathematics programme. We provided the curriculum development support, as well as guest lectures during the first couple of years.As such, we contribute to a significant amount of talent. We also liaise very closely with the three chartered accounting bodies in Sri Lanka, starting with the Chartered Accountants of Sri Lanka. We conduct a particular programme annually for them, called the ‘evaluation boot camp’; we conduct it for the local capital markets professionals every year over a weekend where we take them through in-house developed evaluation case studies involving local companies in a very discussion oriented training session.

Copal Amba regularly visits universities outside of Colombo as a part of our promotions for the investment analyst training programme. In fact we have been visiting the University of Jaffna, South Eastern University, and the University of Peradeniya on a regular basis during the past couple of years. However, the reality is that most of the students who are keen on developing a career in finance tend to be based in Colombo. I believe this is because Colombo is the centre of finance in Sri Lanka. Even if it is a student from another part of the country who is interested in finance from a young age, they tend to find opportunities to move to Colombo to continue their tertiary education.

What are the future plans of the company?

We are very keen in joining forces and working with the Sri Lankan university system to increase the quality of the finance and investment industry related technical education. Being a part of Moody’s has also opened new areas of growth, we see many of the large clients who did not consider offshore based solutions now having deeper conversations with us. And we believe that as a part of the global growth we are experiencing as a global firm, the Colombo operation can also grow at a faster rate than the past 12 years over the next couple of years.

For Copal Amba, it is difficult to have a quantified plan as much will depend on how the global finance industry will do. Our growth primarily depends on the growth of our clients in Europe, the USA and East Asia including Singapore and Hong Kong based operations. Therefore, largely it will be a function of how the global capital markets industry, global investment banks and asset management firms will do over the next couple of years. We have always had very healthy growth rates and we believe that things could only become better in terms of growth over the next two to three years.

Can you elaborate on your role in the company?
I'm the current country head. I started my capital markets career at DFCC Stock Brokers back in 2002 where I covered banks and the telecom industry. And later on I moved on to Frontier Research, which was a boutique investment research firm headed by Amal Sanderatna who is also one of the earliest investment research analysts in Sri Lanka and a very well respected economist. Then back in October 2003 when Copal Amba was starting, I came in as one of the first ten analysts to join the firm. Here at Copal Amba I started by again covering banks and financial institutions. Later on I managed teams, servicing both buy-side and sell-side clients.

In 2005, I got an opportunity to work on the initial set of credit and fixed income research engagements that we had with our global clients. And since I have been here for a long time, I have played multiple roles including playing a part in launching our global training programmes in 2008 as the Global Head of Training and Knowledge Management.

One Of The Largest Value Additions To The Country Had Been The Best Practices And The Training Infrastructure That We Have Brought To The Country As Part Of A Global Capital Markets Services Firm.

At one point I also ran the new projects, trials and business delivery globally, and then I moved on to becoming the country head back in 2013. My responsibility is primarily ensuring that we position our global delivery centre to meet the evolving needs of our global capital markets clientele, ensuring that we invest in the right skills because our industry is always changing and we need to invest in developing the skills of our people. We have been getting tremendous support from Moody's in terms of exposing our staff to their training programme, largely managing the client

relationships and working with the global team in executing new areas of growth.

Final thoughts?
One of the largest value additions to the country has been the best practices and the training infrastructure that we have brought as part of a global capital markets services firm. We are very happy to note that in addition to our contribution to the university system, we have also regularly partnered with the Colombo Stock Exchange supporting many of their activities to connect with global asset managers.