BE FOCUSED

The combination of entrepreneur-innovator is what has made Athula Weerarathna, Chairman, Elcardo, a pioneering businessman. Starting his first venture on his own at a very young age, today, his diversified company employs 1,700 people and over 5,000 external small industries. Athula Weerarathna grooms a new generation to continue a trailblazing business along with the same values that helped him succeed. He spoke about the journey of Elcardo as well as giving the business direction amidst the winds of change.



How did you start the business, and what has the journey been so far?

Once I left school, I traveled overseas for employment in 1982-83 and returned to Sri Lanka a year and a half later. By then, I had ventured into the steel industry due to my talent in manufacturing. Subsequently, I was able to secure several good contracts in Sri Lanka. While I was carrying out these contracts, I researched about new and innovative products. I discovered that crash bars, which are also referred to as bull bars in vehicles, could be manufactured in the country. At that time bull

bars were imported from Australia. I started a workshop in Ratmalana, and I perfected the manufacturing of the crash bars. Once we introduced the product to the market, I received many orders to continue the product.

Fortunately, during that time, President R Premadasa allowed the importation of various types of jeeps such as Isuzu and Mitsubishi to the island. These jeeps required certain accessories. The owners had to purchase crash bars, side steps, and other accessories from outside. I started manufacturing these accessories in Sri Lanka, precisely like the originals. I had continuous sales due to word of mouth because the customers were happy with my work. I was able to earn substantial revenue. With the introduction of regulation to ban the use of crash bars in vehicles, I was unable even to complete three years in the business. I had enough savings and had by then purchased land in Nawala. I deliberated on my next step in terms of the automobile industry. Since brand new vehicles were arriving in Sri Lanka, I decided to manufacture silencers (mufflers) for motor vehicles. But there were many competitors in the silencer manufacturing business then. I discovered that the existing companies at the time took nearly a day to fix a silencer to a vehicle. One day I visited a workshop to study the time taken to attach a silencer and discovered that it was a task that required at least five hours to complete. Since I understood the machinery, I decided to innovate the system. I built the machines, which allowed me to manufacture a silencer within 45 minutes. There used to be many automobile workshops in Nawala and taking that as an opportunity I advertised that I was able to fix a muffler in less than an hour. I started this business in a small way in Nawala.

I Converted The Material Used For The Barrel Into Stainless Steel And Introduced It With A Five-Year Warranty… No One Else In Sri Lanka Was Making Stainless Steel Silencers. I Innovated It.

After about two or three years, I realized that the silencers were corroding in six months; at most they would last for one year. I looked for solutions abroad, but there were no options. Therefore, I converted the material used for the barrel into stainless steel and introduced it with a five-year warranty. I recorded substantial profits through this. No one else in Sri Lanka was making stainless steel silencers. I innovated it. While doing that, steel-related products were gaining popularity, and I quickly diversified into these sectors. My first expansion was into the manufacturing of roller shutters because this item was imported to Sri Lanka from East Asia. I

brought machinery from Singapore and began a business of making roller shutters for Sri Lanka.

Could you tell us about the product portfolio and the response from the market?

At present, I have six factories manufacturing roller doors as well as roofing materials; Colombo, Kandy, Matara, Kurunegala, Jaffna, and Batticaloa together with showrooms in Ratnapura and Negombo. I am proud to say Elcardo is the market leader for roller doors. We also have two factories for the production of stainless steel pantry cupboards, swing and sliding gates. Nearly six years ago, we commenced the manufacture of WPC wood panels that are used for pavings near swimming pools. This product is manufactured with recycled material, a blend of wood scraps and recyclable plastic, with the addition of several imported chemicals. We are the only entity in Sri Lanka to manufacture these WPC wood panels. Recently, I expanded my business to manufacturing stainless steel pipes making me the only manufacturer in Sri Lanka. A year ago, I set up a factory to manufacture GI pipes in a five-acre land in Welipenna. Further, we import solar panels and German technology SMA inverters to provide customers with the total solar solutions with installation. We manufacture everything related to the solar product except the panels and the inverters. I started my business alone and later along with my wife who has been an immense strength managing finances smartly. Today, after 35 years, 1,700 employees which consist of professionals and skilled labour are working for Elcardo. That has been the journey thus far.

Do we have the required human resources and the necessary technology?

All our products are manufactured/assembled in Sri Lanka. I know the subject well, so I train the staff along with my senior management staff. There are staff members with over 15 years of experience at the factories, and some even have 25 years of experience. These staff guide the teams and provide immense support. We have second-generation staff members as well.

How were you inspired to continue amidst various challenges in the past 35 years?

When an individual starts something new in Sri Lanka, they pursue that exclusively without diversifying or innovating. Therefore, Sri Lanka is the best country to start a business, because if you are the first, you can build a secure enterprise with a good

margin. Then, in about five years, competitors would emerge, and the quality of production in the market would decline. This is the situation that arose in the manufacturing of vehicle mufflers. Different companies manufacture roller doors, and their standards have gone down. Therefore, we have moved on to manufacturing GI pipes. We are continually evolving and moving forward. Our product portfolio includes a vast range of items. We make several stainless steel products in our factories. I have a separate team of inhouse engineers, architects and designers who can custom manufacture kitchen pantries and the entire range of kitchen equipment for the specific needs of leading hotels. We bid for large tenders, and we usually win the tenders because our rates are competitive due to the increase in economies of scale. We can offer competitive prices because the manufacturing process belongs entirely to us, where the machinery and material belong to us. We are the only manufacturer to have the latest CNC machines in the country. You can maintain the required quality standards of a product only by having the proper machinery. Most of our competitors are manufacturing without the necessary machinery, by compromising

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and finding alternatives such as blenders. I have CNC machines; when you input the drawing, the product comes out nicely blended. We have installed all the required machines in our factories. Therefore, we are able to cater to the domestic and industrial market of SS pantry cupboards. Every single part in the roller door, including the nail, is manufactured in Sri Lanka, while we import only the motor and the sheet. I can remain in the market because we make everything in our factories. We can manufacture the motor unit too, but the Sri Lankan market is small and will not yield the desired outcome. We also manufacture roofing sheets, C Purin, and gutters for which we make all the necessary accessories. We manufacture a range of steel-based products.

Do you manufacture for the export market as well?

We do export WPC wood panels and roller doors to India and the Maldives.

How did you come up with the name Elcardo?

When I was a youth of about 20 years, I came up with about 30 names suggestions by myself and chose the name Elcardo. It felt right to me, and I asked around if there is a meaning to it. Elcardo means strength, which is the most appropriate term to describe our products, especially our roller doors.

How do you manage such a large staff?

I have managers in all our six factories and 12 showrooms island-wide. We have a meeting once a month in Colombo to discuss progress. Our managers guide them to improve sales when individual team members have not been performing to the expected level. They oversee the manufacture and supply of products to various parts of the country. For instance, the factory in Kandy manufactures and supplies to Anuradhapura, Polonnaruwa and surrounding areas, and the factory in Kurunegala provides to Dambulla and Trincomalee. I have a marketing team of over 200 people to sell every product from roller doors to pipes. We hire those who are capable of marketing our products. We have a big team in marketing, which are very much involved in the work. I have a sales staff with over ten years'



experience. They know the subject thoroughly and do not hesitate to speak to customers to provide information. The positive performance of my staff is a result of continuous learning opportunities that I have provided them. It is not to develop my business but to improve their lives, because these young people have to learn the fundamentals of leading a disciplined life. We do not want them to be deceived by outsiders or fall prey to immoral practices. Through these training programs, we

teach them to save money and to create a well-organized lifestyle. Then, in turn, they will perform and do their job well and be good employees because at the end of the day, it is their future. I have given instructions to the qualified lecturers that the objective of these training programs should not be to build our business but to develop the personality of my employees.

The Positive Performance Of My Staff Is A Result Of Continuous Learning Opportunities That I Have Provided Them.

My children work in the company as well. Although they attended an international school, they were brought up according to our Sri Lankan culture. They are pleased to be involved in this business. Quite often, people who start companies fail to develop them adequately for the next generation to take over; they earn money, but the company structure is very fundamental. I adopted a very modern approach to my business. I have developed all the units to such an extent that it is easy for my children to be involved and eventually take over. I economically do things and not ostentatiously. Moreover, most of my managers started from lower ranks and have risen to the top. Thus they are highly knowledgeable about their area of work.

The next generation is also involved in the day to day operations of Elcardo. What can you tell us about this?

My three children completed their studies overseas and returned to Sri Lanka. They are all working for Elcardo. It is rare for children to return to the country and join the family business. My children grew up with family values. I have appointed them to positions so that they are responsible for specific areas of the business. Nipuni Weerarathna, my eldest daughter, manages the import section; my second daughter, Lasithi Weerarathna, is in-charge of the Sri Lankan operations including finance and accounts; and my son, Athila Weerarathna is responsible for the factories, that is the manufacturing side of the business including finishing and quality checking has to be done by him. My role today is to give guidance to the company and ensure that we are heading in the right direction. My children always discuss with me before taking any decisions. It is indeed a strength for me to have my children working together with us to develop the company.

You faced many challenges, but you did not give up. What is your advice to the youth?

Be focused. My focus was to learn and develop steel-based manufacturing. My advice to any businessperson is to stop wasting their time on analyzing the country’s situation and blaming the political situation in the country. It is a useless exercise. If you do your job properly, there are plenty of opportunities to move forward and progress. For instance, I do not focus on the number of doors that we sell but focus on factory performance and service standards. We are continuously receiving orders and our operators are busy. The staff at head office manage all operations. Even an order from Jaffna is procured through our Colombo office. I have installed the best system of operations in place, thereby ensuring that day to day work does not get disrupted. I have not taken a step back from the day I started because I never focused my time on who did what, why and how. One has to do the job to the best. I also insist that our sales people visit the factories before finalizing an order because companies quite often collapse due to overtrading. Banks are ever ready to lend to businesses that over-trade and eventually become bankrupt

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From the day I started, every customer had access to me. As a result, people are fond of me and give me business. Even to this day, people have an attachment to Elcardo, which I have conveyed to my children as well. My journey thus far has been possible because of our customers. I believe humility is what keeps people stable. Quite often, people who earn big money indulge in sleazy preoccupations. But I have my family also involved in the business, hence many people like to continue working with us. Our after-sales service is one of the best, where instead of repairing a malfunctioning roller door, we replace it with a new one. I believe we do not lose by replacing the door but rather lose as a result of a dissatisfied customer who will not have anything positive to spread about the company. I borrowed 8,000 rupees from my father to go abroad. I earned an income and returned that money to him. I have never made a loss, I have always ensured that whatever I do, makes a profit. I advise my children to never go behind people to get things done, but to do their best through hard work and perseverance.

future plans?

My next venture, which I am in the process of establishing, is a plant to melt old iron, from which I intend to manufacture agriculture implements. All our agriculture-related tools are imported from India. Although Chennai is located close to Sri Lanka, the cost of transporting these implements within the country is very high. I believe we can export these implements at a lower price from Sri Lanka to Chennai. We also plan to expand our construction business further. We have completed seven large-scale steel fabrications and building constructions and have achieved CIDA C4 certificate and EM2 certificate for steel fabrications from Building Association recently. I will never miss an opportunity in this lifetime, once I see it, if I can do it, I will do it somehow. I want to introduce innovations to the country, and I learn about new products by visiting exhibitions around the world. People may complain about business being low due to economic instability, but we have never experienced a dip, instead we are teeming with orders for our products.