

# Bringing Innovation To Sri Lanka



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Apita Apema Pariganakayak (a computer of our own for all of us) is the underlying theme of the PC Manufacturing Plant in Hambantota by EWIS. It is the first of its kind in Sri Lanka generating employment as well as introducing new technologies to the country. Sanjeewa Wickramanayake, Chairman/CEO of EWIS speaks about the challenging journey that culminated into a success.

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## **Why did you decide to start a PC manufacturing plant?**

We have been in this industry for 27 years. We started in 1986 as IBM's first Sri Lankan business partner, that was the time IBM decided to work with partners. We worked with IBM until 2002 after which we formed a partnership with HP, which lasted till 2009.

In the 1980's we were only a selling point for multinational companies. We were not even authorised to open a box to see what was inside. In 1996, for the first

time we were given the opportunity to work on the hard drives. By working with multinational brands and servicing their products over the past 26 years we have been able to gain experience in this field. However, the key factor for computers in Sri Lanka is not the brand, it is the service. Though people say that they want to buy branded computers, service is the key because no one wants to pay a high price and buy an internationally reputed brand if the service is poor. As such the customer looks at both the brand and the services. We were very good at providing service to the customers. In 1996 we were the first to establish an island-wide branch network. At that time people thought we were crazy because the market was in Colombo but we were expanding our branch network outside of the city. Even during the conflict we had an office in Jaffna, which is still functioning.

There was another reason as to why we established this facility in Hambantota. The President asked us as to why there is not a single Sri Lankan brand though we have been in this sector for 26 years. That was actually true because we didn't have a brand. All the other countries, such as Singapore and Malaysia, have their own brands that they manufacture in their country even though multinational companies are also in existence.

Intel, which is the best chip manufacturer agreed to give us the technological support. Actually if you look at a computer, the inside is a combination of parts manufactured by a number of companies. There are very few hard disk and motherboard manufacturers today. In the 80's and 90's each brand used to design their own motherboard. They had their own hard disk manufacturer, but today it is not so. What the customer needs is a quality product. We thought it would be good to start our own brand because of our experience in service. We still believe that it is not the brand but the service. That is why we wanted to manufacture computers, laptops and tablet PCs.

### **What were the reasons behind selecting Hambantota ?**

Many people think that we started this project in Hambantota for political reasons. That is not so. Of course we have been given an opportunity and as businessmen we should take advantage when opportunities arise. There are many reasons as to why we selected Hambantota. One is labour; we were able to recruit good quality people. Two, the area is developing and three, there is an international airport and sea-port.

If you ask me why Hambantota, the next question should be why Sri Lanka? My response would be why not! Our ultimate aim is to export a quality Sri Lankan product. If you look at the situation globally, China is becoming expensive day by day. Furthermore, the Chinese government prohibits foreign companies from entering certain cities. They want foreign companies to establish themselves inland where there is a greater transport cost. Many people think that India is our market. To be honest I do not believe that India is our biggest market. The world will see much greater growth in Africa. Chinese companies are now going into the African market, but the distance is prohibitive. If you look at Sri Lanka and in retrospect Hambantota's geographical location, we are situated in a strategically important location to Africa. May be not right now. It is inevitable that this market will flourish in the near future.

**You mentioned about recruitment. Can you talk about the staff of the facility?**

This is the first ODM (Original Device Manufacturer) in Sri Lanka. We can actually manufacture any brand of the world. Recruiting was not difficult but getting trained personnel was. That is because there were no trained people in this trade in Sri Lanka. Though it was a big challenge we took it on. We are thankful to companies such as Intel, Microsoft and a few Chinese companies that voluntarily gave our staff training.

There are many educated people in Hambantota. Since they can come to work from their homes, they are able to bring home cooked meals to work and only have to travel for 20 minutes to an hour. They have nothing to worry about. As such they can focus on their work. If working in Colombo, usually they would have to find lodging and spend on rent and food. Therefore, this is a very good opportunity for them. With the support of Microsoft, Intel and the Chinese companies we were able to train our personnel to international standards. We usually take the trainers to Hambantota, where they stay for a few nights to train the staff not only in technology but also on team work, developing inter-personnel skills and positive thinking. Teaching the technology is not difficult but instilling the other aspects are essential for them to adapt to any situation.

**This Is The First ODM (Original Device Manufacturer) In Sri Lanka. We Can Actually Manufacture Any Brand Of The World.**

The people in this area are always smiling and they are happy. They do not

consider work as a burden. We are very happy with our staff in Hambantota.

**Another aspect is that women have been given preference in employment.**

**What can you tell us about this?**

We received a large number of applications from women. In a way we prefer employing women because they are efficient workers. It is easy to work with them and they focus on producing a quality product. Even at our head office more than 40 percent are female employees.

**What can you tell us about the production facility?**

All the technology support is from Intel and a company by the name of ECS who manufacture about 3,000-6,000 tablet PCs and laptops a day in China. We believe in state-of-the-art manufacturing facilities. The floor of the facility is antistatic. This was very expensive. Though we could have taken a much cheaper option we didn't because we wanted to ensure quality. We brought down all the necessary equipment from abroad adhering to international standards.

We received the ISO certification within a month. There was no one in Sri Lanka who could issue the certification therefore we had to get a team from India to evaluate the factory. Their comment was that our facility was much better than the ODM factories in India. While we are extremely happy about our achievements, we continuously strive to achieve higher standards and maintain them.

The products that we manufacture are released under the EWIS brand name. We work very closely with Intel on technology and new developments. Our research is partly done by Intel, which is a great support for us. Our products are currently available only in the domestic market but we are also looking at the export market as well.

**How important is such a facility for Sri Lanka?**

We started the garment industry in the 1970's and I believe we have reached the best quality in garments due to companies such as MAS and Brandix. Computer manufacturing is the new technology, this is the industry the world is looking into. I can guarantee that within a few years many more factories will be established. But there is much ground work to be done. I believe that this is very important to Sri Lanka. Even Chinese and Korean companies are looking at establishing big plants. We have never been famous for technology.

We have done excellently with garments. But it has now reached a certain level, now Sri Lanka needs to upgrade into maintaining a clean environment and establishing ODM projects.

The local market is of course not the biggest. Sri Lanka needs to attract world renowned brands such as Dell or HP and we can manufacture their computers here-similar to the garment industry, where we manufacture the world's best brands. How do they do it? The brands give you the quality requirements and you are supposed to produce accordingly. We have already spoken to a multinational company and we are hoping to manufacture their products.

We are new to the ODM sector. I am sure that there will be many ODM factories in the future. At the moment we are using our own brand because of the experience factor, and we are keen on production and service. We want to outsource the sales aspect to another company. But we will continue with the manufacturing and the servicing part, which is very important to the customer.

### **Final thoughts?**

Politicians make the way but we have to make the business decisions. That is my way of looking at business. We are business people, we should do business, not politics. I believe that we have to look at long-term rather than the short-term. I have to tell you honestly that this is not easy. During the time I started this factory 98 percent of the responses were negative. Petitions were filed against the company and the factory by people with vested interests. From last November to today, about 100 tenders were called, out of which 77 prefer international brands only. No local preference is given. That is the sad part of it. I have not recruited foreigners. I have recruited 100 percent local people. In this country it is a little tough to get encouragement. But the President, the Government, Ministers and Hon Namal Rajapaksa are very supportive of local industries. The Treasury too understands what we are doing. We are not asking for any special preference. We are only asking to stop preferring only international brands.

Every Friday we take a group of top level people such as professors, bankers, factory managers and decision makers in companies to Hambantota. We have an itinerary where we show them the development of the district and give them the tour of our factory. Afterwards we ask them for their suggestions. We have received many good suggestions and we are going to implement some of them. We are very open with our knowledge and anyone is free to see the factory. We

want to encourage this kind of business in Sri Lanka.

Everyone wants Sri Lankans to do well, we have overcome a 30-year long conflict. The future is going to be bright. Therefore, all of us have to work together. Mine is not a vision for Sri Lanka alone but global in perspective.





