

FOCUSING ON VALUES



Pradeep Amirthanayagam, Chairman, PLC.

People's Leasing Company (PLC), a subsidiary of People's Bank has been in the leasing industry for over 20 years. Combining the unique strength of the state sector, PLC, as a private limited liability company, has become a model of operational efficiency and flexibility. Pradeep Amirthanayagam, Chairman, PLC outlined the success behind PLC, while focusing on market conditions and regulations that have somewhat stymied growth, but has guaranteed the industry more security. Further, he also spoke about his experiences in advertising, TV and radio as well as being one of the first cricket commentators in the country. With diverse experience Pradeep Amirthanayagam works diligently to take PLC forward.

By Udeshi Amarasinghe and Jennifer Paldano Goonewardene. | Photography Mahesh Bandara and Menaka Aravinda.

Appointed as the Chairman of PLC recently, can you elaborate on your direction and plan for the organization?

I was appointed as Chairman of PLC four and a half years ago, but due to some inexplicable reason, I never sat as Chairman because People's Bank wanted to retain the chairmanship. I had the letter of appointment from the Treasury that had my name as the Chairman. PLC never had a Deputy Chairman, and the position was created for me. In life, I believe that God gives you a date; therefore, whatever that is given to me does not bother me. The position I have in an organization does not matter to me personally because I am an individual who will go out of my way to build an organization even beyond the scope of my role. As Deputy Chairman, I virtually developed all aspects of the operations. I must give credit to the former Chairman, who gave me the freedom to carry on the work under his leadership. I have witnessed how this organization has progressed.

We have increased employees' salaries by 47.5 percent in the last four and a half years. I am sure only a very few organizations would have done that. Despite the situation where volumes have been receding, and the economy has not seen any major movements, we gave back to our employees because we believe our employees are top class. Otherwise, we couldn't have been the number one financial institution in the country. We have to take care of our staff to sustain our growth and sustain our efforts. We will do whatever possible to ensure that we take care of them; that is why we have retained our staff.

We are larger than some of the banks. Many banks have been ranked below PLC in the Business Today TOP 30. We are stronger than some of those banks in terms of asset base and profits, coupled with the 75 percent we give back as dividends to People's Bank. We have excelled, and the chairmen of the past have done good work. Mr D P Kumarage, as the CEO/GM from 1997 to 2017, had done a fantastic job, by developing the organization from four employees to what it is today. I have inherited a strong organization.

There have been challenges, and PLC is no longer number one. My immediate task is to regain that lost position and to make sure that we have the right talent

at PLC, and make the right decisions to move back to number one. Being number one is the hardest thing, and remaining at number one is harder than trying to climb to that position. One reason for the slide is the rise in costs. Employees' salaries had not been revised for several years before we took over. We conducted a salary survey in the second year and found that we were paying less than some of the other organizations. We made a 30 percent increase in one go. Such actions contributed to lower margins, and the business situation also became tough. Our main line of business is providing leasing facilities for commercial vehicles, such as buses, tractors, and heavy equipment, but limited projects affected our margins. We had built a reputation as a leasing provider for commercial vehicles. PLC started by providing leasing facility for buses, where a sticker prominently showed PLC's sponsorship, which gave us visibility. My main objective is to make PLC number one again, and we are slowly getting there.

If we look at the performance of PLC during the past year, the Group focused on steady growth following structural reforms, revamping the product portfolio, and identifying new customer segments while giving priority to consolidation enabling stability for the future. Your thoughts on this?

Two and a half years ago, we considered a new way of doing business, but it didn't work out well. New customer segments were identified, and we got into new credit lines, such as granting loans on postdated cheques. As a result, we took a significant strike on that. Our non-payment ratios increased. Therefore, our main task in this climate is consolidation, while ensuring that some of those bad debts are turned around while working with people to make sure their cash flows improve so that we will be able to benefit from it.

PLC has also entered overseas markets, and expansion in Bangladesh is showing growth, will there be further expansion?

Our operations in Bangladesh are running smoothly; we are not making the returns we expected as yet. But Bangladesh is growing rapidly; the country is looking at economic growth of 7.5 to eight percent. We have shown strong performance in the two years with a good team. We also have an excellent partner there. We want to consolidate the business in Bangladesh, by making sure that we get the type of returns that we envisaged before we look elsewhere. The members of our Board travel to Bangladesh every month to attend board

meetings. We provide backup, such as IT, from here, and Romesh Elapatha, the CEO is a Sri Lankan with much experience in the banking sphere. It's good that we have several people from Sri Lanka working in Bangladesh, such as the deputy CEO, who is on secondment. Thus we are allowing Sri Lankans to work in overseas markets.

PLC has always been able to balance the expectations of the state sector while functioning as a private sector organization. How is this achieved?

This combination is the real strength of the organization. PLC has the backing of a massive parent. When we speak with funding institutions to borrow money, we are at an advantage because we have the support of a powerful parent. Added to this is the flexibility of being a private entity. When I interview people seeking employment at PLC, their primary concern is to know whether it is a State institution. I tell them that PLC is better than a State institution because, in a State institution, you are just a passenger moving up the ladder without the benefits that we have. PLC has the unique strength of both and a mix between the two. There are many opportunities at PLC. We have more than 100 branches, and an employee can move to the area where he or she is residing, which provides flexibility. In addition, employees receive an annual bonus between four to six months' salary based on performance. No other organization would have approved a salary increase of 47.5 percent. Some of the employees' parents call to thank me for advising their children as they have a permanent job, receiving promotions, and earn a good salary. They thank me for convincing them to stay with PLC rather than looking for employment elsewhere.

Being private with State ownership is a fantastic combination. The functioning of PLC should be used as a model, cataloged, and adopted by any organization that needs to be privatized at least minimally. The State owns only 25 percent of PLC shares. Our shares have been bought by some of the top end investors, including the Norwegian Fund and Norwegian State because they can see the ethos of the organization, which is very easily measured.

If we look at the non-banking financial sector in general, what are your thoughts on the performance of the industry?

The non-banking financial industry has gone through quite a few knocks. It has not had the success rate it had four to five years ago. This is due to regulation,

but I believe that regulation in the industry is good. Earlier we could give a 100 percent lease, which has now been reduced to a maximum of 70 percent, which has made the process more secure for us. It was done in the best interest of the industry to prevent setbacks. Finance companies had many problems. In this scenario, the regulator had to intervene to ensure that companies do not haphazardly lend. As a result, growth has been stymied. But I believe it is only a temporary issue. Many finance companies have grown, and PLC is still in the top three. The good companies have become better. The fundamentals have become relatively stable.

Do you think there are too many financial institutions?

I believe so. There are around 50 companies, and consolidation is the way forward, which was propagated many times over. While some have taken up that opportunity to their advantage, others are still holding on.

Having been in advertising, television, and radio and cricket commentary, how have things changed over the years?

It was much harder then because we did not have the technology. In those days, a cricket commentator had to describe the game and set the scene by speaking about the crowd and the birds that were flying and the type of atmosphere in the stadium. Today, viewers can see all of this on the screen. We had to color our words and language in a way that made the listener feel that they were present in the ground. That was what we were taught. Technology has changed everything today. When I used to present music at SLBC, I spoke about the artist and described his or her interests. Today, you only have to play music. As a newsreader, how you pronounced a leader's name, for example, Gorbachev or Lech Walesa, was necessary. When I got a news bulletin, I used to telephone embassies in Colombo to get the right pronunciation of a leader's name, because we did not have cable television to check the pronunciation of the names or else we had to listen to the BBC. I used to carry a Daniel Jones pronunciation dictionary. Today I do not think people even know that there is a dictionary for pronunciation. I had that dictionary to make sure that I pronounced words correctly as people would listen and imitate me, and I am culpable if they got it wrong because I had misled them. Therefore, we, as announcers had a duty.

Many university students have approached me. Those days Armed Forces

personnel, at various checkpoints, have told me that they watch the news in Sinhala for information while they watch the English news to learn English. That gives a great deal of satisfaction. When I used to read the name of a Buddhist priest, I made sure that I wrote the name in Sinhala on top of the English version, because it is difficult to pronounce the names in English. I do not know whether newsreaders today, do that anymore. Maybe that is why they make a mess of things. We took much trouble in our day. But we were paid virtually nothing, whereas today announcers are well paid.

Then there was just one news bulletin for the whole country on Rupavahini. I used to go to Rupavahini at 6.30 in the evening for the 9pm news bulletin. I was taught at the BBC that when you receive a bulletin, you have to read it first to understand, then you read a second time to mark it for punctuation, and you read it aloud the third time and the fourth time you read it to make sure. A news bulletin was read four times before we went before the camera. In between, you check for pronunciation and grammar. We took much trouble, and that gave me the ability to be a little more exacting in whatever job I have been called upon to do.

Today with technology, professionalism has dropped. Can we regain it, or have we lost it for good?

It all comes with good ethics. In those days, the little earnings you made was by voicing a commercial. But if you were a newsreader, you could not voice an ad, because then you become a commercial voice. You are paid a pittance for news, whereas your colleagues who are not news readers and may not be as good as you, make more money compering shows, voicing TV or radio commercials. But today you can read the news, do voice commercials and do anything you want. I believe coming back full circle is going to be very hard. In those days if a person voiced for an ad of one bank, then you cannot do a competitor's commercial. Today there are no such ethics. So much so that on-air, you will not know the bank that is being advertised because it's the same person voicing all the commercials. The older generation still believes in standards. But the younger generation will resort to anything as long as it allows them to become millionaires fast.

Those days when a TV story board was done, the script had to be approved by either the SLBC or Rupavahini. People did not have the liberty to show any visual

they wanted. Today people think speaking with an accent is enough to be successful. The accent comes before they know what they are reading. The private sector is responsible for ruining the professionalism of announcers. Private media took it to a different level, and now social media is making it worse.

Can you tell us about your career and background?

I am a marketer by profession and an advertising professional. I have been in the advertising industry for 35 years. For 30 years, I have managed my own company. The advertising industry is tough, and to stay young, focused, and relevant, you have to be at the top. I am proud to say that over the last 30 years, we have been winning awards for good work. What we value most is the relationship we maintain with our clients because you build a brand based on good relationships, and advertising is all to do with relationships.

I have been a television presenter on Rupavahini and the ITN and a broadcaster on SLBC for the last 32 years. I had the opportunity of training in the UK with the BBC. When cricket commentary started with Sri Lanka playing Test cricket for the first time, I was one of the first Test Cricket commentators.

I have been a Rotarian for about 30 years, where I was the Past President of the Rotary Club of Colombo West. I have been recognized as the Rotarian of the Year.

I work with charities. SUROL is a charity that takes care of leper families where 350 leper families are rehabilitated in the country. These people cannot work because of the stigma associated with leprosy. Therefore, unless they are taken care of, they cannot feed their children. Leprosy is due to poor nutrition; we make sure that they are given a monthly stipend to feed their children and educate them. Due to the contagious nature of the disease, the next generation too can be afflicted with leprosy.

I am also the Director of the Anura Bandaranaike Foundation, and along with Madam Chandrika and Sunethra Bandaranaike, we do much work related to education, such as granting scholarships to children in need who have done well academically.