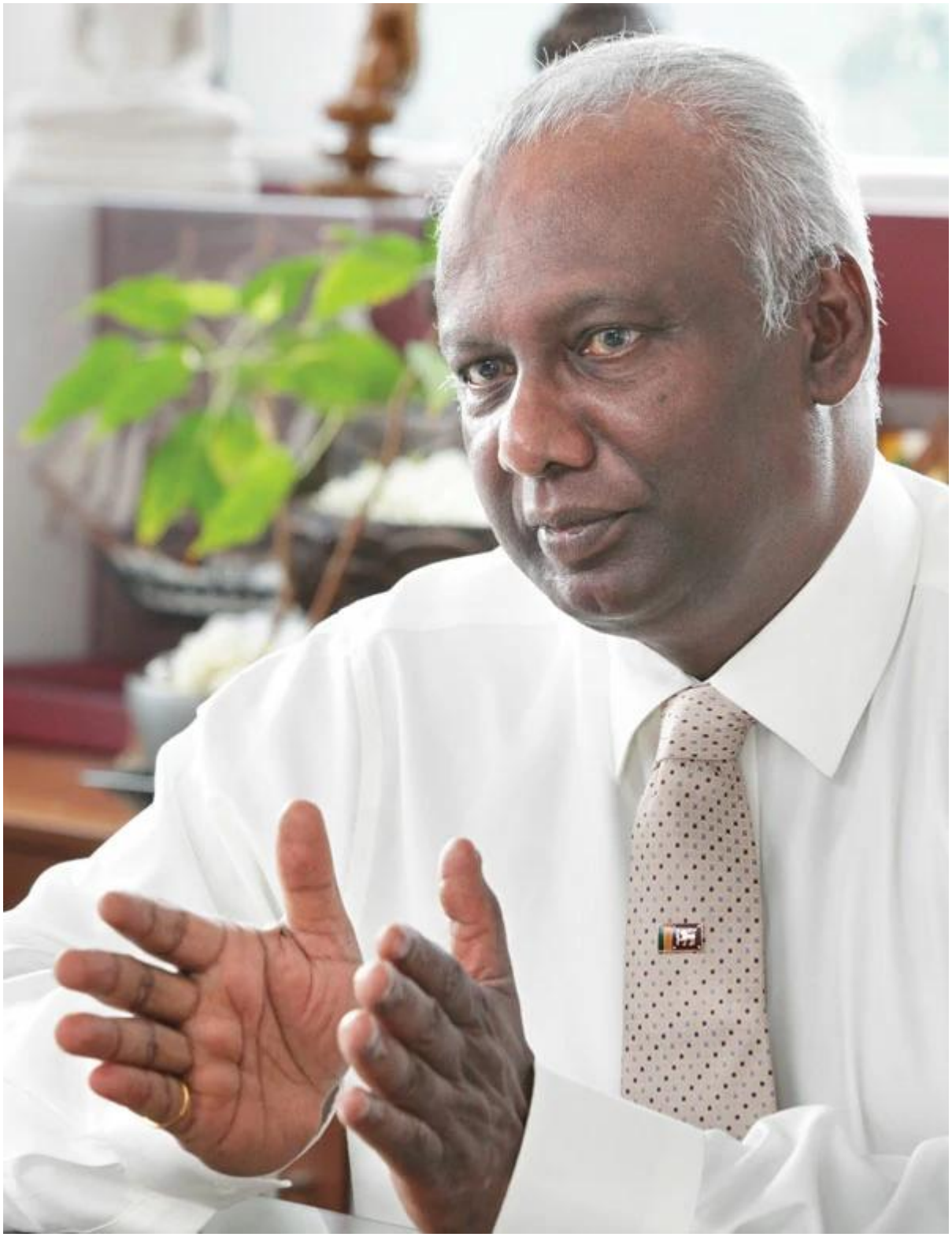
Steering The Vision



Begun by a single determined businessman in the early 1940s, the Nawaloka Group has grown into a Sri Lankan business enterprise with diverse segments; and the Nawaloka Hospital the crown of the Group has achieved many significant milestones in the health sector in Sri Lanka. Jayantha Dharmadasa its Chairman, shared the story behind the success of the Nawaloka Hospital and Group as he spoke of his vision for the future in directing his legacy.

By Kamalika Jayathilaka

Photography Prabath Chathuranga

Having begun in the early 40s, Nawaloka has grown today into a group of companies covering numerous fields including construction, industries, trading, housing development, automobiles and healthcare. Having taken up office as Chairman of the Nawaloka Group after the demise of your father, how do you intend to steer the Group forward? Do you intend to take the company into another level, treading new avenues?

First and foremost, I must say that it will be impossible to fill the vacuum left by my father. My intention is primarily to follow in his footsteps. We intend to do our best to forge ahead with whatever plans he made for the Group. In that sense, I would say there is nothing newly planned, apart from trying to improve upon what my father has put in place during the past decades.

On the other hand, we are in the 21st century where science and technology are rapidly advancing day by day; therefore, I plan to improve the group of companies so that it is on par internationally.

Established more than 60 years ago Nawaloka Construction Company has built the largest housing complex in the country which consists of 1200 houses and this has been the largest single project undertaken so far by any government. What does this signify for Nawaloka Construction Company?

Actually, this achievement was due to the trust and faith the then government led

by President Premadasa had in us. When they handed us the project we were given an opportunity to show what we were capable of and prove ourselves. We were given one year to complete the project and we did so 30 days ahead of the due date of completion. Constructing 1200 houses was no easy task especially since the project included not only houses but also community centres, swimming pools and other components. The President who had an interest in the project paid visits to inspect its progress. Likewise, there were many factors that had to be taken into account in completing this task and since then Nawaloka Constructions has come a long way.

Today the company is engaged in roadwork, bridges, land development and irrigation work, water supply schemes, elevated water tanks, piling work of any magnitude, high rise buildings and factory buildings among others. We undertake roadworks as part of the development of the country. In addition, we are constructing a number of buildings in Jaffna, Vavuniya and in Galle. Thus, we concentrate mostly on undertaking infrastructure projects.

Apart from this, the construction company has won numerous accolades. The National Business Excellence Award in 2006, the ICTAD Merit Award in 2009, the ICTAD Performance Award in 2010 and many more including the BS-OHSAS 18001:2007 Occupational Health and Safety Management Certificate as well as a few more awards that we are applying for in the near future.

Nawaloka Polysacks has been in existence since 1978 and has a factory in Sharjah Dubai giving employment opportunities for Sri Lankans to work abroad. What was the thinking behind opening up a factory in Dubai and what is its current status?

The Polysacks factory, which was already in operation in Sri Lanka during the late 1970s under my father’s wing had a very good market in the country. However, I wanted to prove that I was capable of doing better. As a result, I established a garment factory in the Sharjah free trade zone. Generally, in the UAE you have to have a local sponsor for a factory; but not if you own a factory in the free trade zone. Therefore, I set up this factory with about 200 Sri Lankan employees. However, with the emergence of the quota system in 2005, it became difficult to manage a garment factory. As a result, I sold the factory and opened a Polysacks factory. At this factory we manufacture woven polypropylene fabrics, polypropylene bags which are used to store sugar, wheat and fertilizer as well as Leno bags. All work is done to international standards. Having existed ten to 11 years, it is

currently doing very well; in fact, we hold a very high position as a factory in the UAE.

In terms of its benefits to the country, most Sri Lankans migrate to these countries to work as housemaids or fill in similar positions. Middle Eastern countries would not employ outsiders for higher positions. Therefore, through this factory we have managed for the last ten years to give better employment opportunities for Sri Lankans who prefer to work in the Middle East; an opportunity for them to work for a Sri Lankan company. We undertake all travel arrangements for them and take full responsibility. The factory has been in sound existence since its inception and currently employs even UAE nationals. Therefore, the factory stands out as a significant positive for the country. We have even been awarded the gold medal for the most rapidly emerging company within that region. Therefore, I can safely say that the factory currently is doing very well.

I Must Say That It Will Be Impossible To Fill The Vacuum Left By My Father. My Intention Is Primarily To Follow In His Footsteps We Intend To Do Our Best To Forge Ahead With Whatever Plans He Made For The Group.

How would you explain the significance of environment friendly manufacturing and the Group's efforts in contributing towards greening product activities?

It is the Government that has to lay down rules and regulations on environment friendly production for private enterprises to follow. However, from our end we have been doing our utmost to protect the environment in whatever way possible and within our reach. I have learned from visiting UAE how careful you have to be in operating a factory. According to their regulations they have to have 100 percent precise objectives from day one.

There is little that can be done by a single company or enterprise. There should be sector wise adherence and sustainability. Therefore, it is time for Sri Lanka to have proper regulations in order to protect the environment, so that the private sector could abide by those rules.

Industrial development is a vital force of value creation in economic development. Being involved in construction and manufacturing, what has been the Government's support to the development of this sector?

Today there are various ways and means of getting goods down to Sri Lanka. As a result, most people do not want to invest in industries, especially of a higher level. Therefore, some drastic changes have to be made by the Government in this regard. Sri Lanka is neither a manufacturing country nor an importing country; we are somewhere in between. We can import anything to Sri Lanka provided that we are prepared to pay the relevant custom duties. Thus, in the case of Sri Lankan industrialists involved in manufacturing, the Government has an obligation to protect their industries.

What is more, Sri Lankan labour laws are such that the workers have rights that protect them from taking legal action against them. Therefore, the employer is not protected by anyone in terms of the working environments. For instance, when employees report to work late and leave early due to problems with public transport and road systems, we can't take any action. There are also a large number of holidays in Sri Lanka. The industrialists have no power under these circumstances. As a result of all these factors industries have difficulty in achieving progress.

Then, the trade unions are given too many powers, so much so that they can do anything and not be held responsible. They can go on strike for two weeks, close down the factory and still come back and work the third week as well as get paid for the two weeks that they had not worked. Due to their actions the factory would be closed and the exports held up.

This is the difference between Sri Lanka and the UAE where the workers adhere to strict rules and regulations. As a result, they will get a proper understanding and better knowledge of the production process. The Sri Lankan worker will report to work on one day and be absent the next. Then a replacement has to be arranged. It is often the case that this replacement is not as well versed on his duties. However, the production process has to carry on inspite of these drawbacks. Therefore, many labour laws have to be changed for the benefit of both the employer and the employee.

Thus, in the Sri Lankan industrial sector the employer is always at the mercy of the worker. Therefore, a great deal more is due on the part of the Government in order for this sector to progress.

Nawaloka Automobiles has been one of the new ventures by the Group. Could you explain what this company stands for and the kind of services it delivers?

XEMG is the leader of China’s construction machinery industry and has engaged around 400 heavy vehicles within the Island. Nawaloka Automobiles is responsible for the service and maintenance of each and every one of these vehicles. It is an enormous task, a new concept in Sri Lanka and a significant venture for the company. Having 400 heavy vehicles to be serviced or maintained, finding spare parts and undertaking the necessary day to day activities is a challenge, especially since none of these vehicles can be left idling for more than an hour.

For the Chinese every second is money. They have no waiting time; they have to be fast and make quick decisions in order to reach completion. Thus, in terms of service, if a crane or bulldozer breaks down even in Jaffna, we will be there as fast as possible to provide maintenance services so that there is no delay. In the process it also brings in revenue. This way, the automobile section of the Nawaloka Group has undertaken to help the country in its development process and within the next six months the company will progress even further.

The Nawaloka Hospital Has A New Specialised Liver Unit. As A Result, Patients No Longer Need To Go Abroad For Specialised Treatment And Medical Procedures. We Have All The Facilities Here.

Nawaloka Hospital the pride of the Nawaloka Group achieved a revenue growth of 12 percent during the past year. The Group’s Gross Profit has increased to Rs 1.5 billion which shows an increment of seven percent on a year on year basis and the Group’s Operating Profit has shown a dramatic improvement to Rs 166 million. What is behind Nawaloka’s continuing success and stability?

It would have to be innovation, new products that we introduce constantly to the market. This could be through a Rs 1,000 item or a machine worth Rs 100 million. When we introduce something to the market we don’t publicise or advertise in a large scale. We rely on the reputation of the medical team to bring in patients. We work very closely with the specialists.

What is more, very recently the Nawaloka Hospital conducted a liver transplant from a mother to her daughter. Half of the mother’s liver was transplanted into the daughter’s. Generally, we get a liver from a cadaver. In this case, both looked very healthy when they walked into the hospital; but the young girl had been given only three months to live. The surgeries were a huge success and we managed to save both their lives. It was a 24 hour operation and a milestone in the Sri Lankan health

industry. The most important factor is that it was conducted by our very own local doctors and other medical staff.

The Nawaloka Hospital has a new specialised liver unit. As a result, patients no longer need to go abroad for specialised treatment and medical procedures. We have all the facilities here. It would cost them close to Rs 30 or 40 million to conduct a transplant surgery in Singapore or in a similar country. In the United Kingdom it will be around 60 million. In Sri Lanka, with the equipment and expertise currently available the same procedure can be undertaken for one fifth or one fourth of that cost. What is more, the procedure will be 100 percent successful.

Nawaloka Hospital also has a state-of-the-art pain management centre that brings together both local and foreign expertise enabling treatment of various diseases that cause pain. Likewise, the excellence of our services, the commitment of our staff to do their best for the patients and our attempts at innovation and development all work together to achieve this success.

How would you elaborate on the Nawaloka Hospital's efforts to remain abreast of what's going on in the healthcare sector in the world and introducing modern technologies and features?

The Nawaloka Hospital is referred to as the 'People's Hospital'. It has been established for Sri Lankans. It offers a range of modern medical services at the lowest price. We offer the lowest price for lab services, the pharmacy, in house patients and every other service available to patients. There are 14 modern operating theatres out of which six are state-of-the-art. We even offer our services to the rest of the world; for instance by promoting medical tourism.

In terms of equipment and technology we have the very latest CT and MRI scanners in the world. The latest MRI is not found in any other hospital in Sri Lanka and very few are available in the Asian region. This piece of equipment is capable of giving a high dimension image of the disorders in the brain, stomach, arm or leg along with the exact site of ailment. It helps the surgeon pin point where exactly to operate and the procedure to undertake. Therefore, bringing down this equipment to Sri Lanka has been a significant factor for the health sector in the country. Then we have equipment such as the Ultra Sound machines, the X-Ray machines and the Mammograms for women. Breast cancer is prevalent in the Island, but people are still reluctant to seek medical assistance at the early stages. Unlike in most western developed countries they refrain from being examined. Thus, these are some of the

latest technologies that we have introduced to the market to help diagnose the prevalent illnesses in the country.

Not more than five or six years back, Sri Lankans had to go out of the country for heart surgery. Today we conduct about two to three heart surgeries a day and it has today become a normal procedure. Currently, a patient arrives at the hospital two days prior to the surgery and returns home within two days after the surgery; within a week the patient returns to normal life. We also have an Emergency Treatment Unit (ETU), which is open 24 hours along with all the other units. The emergency unit caters to very serious cases. Most people are unaware that we have so many facilities; but since we work very closely with the consultants, the surgeons and the physicians they direct the patients to us.

In addition, we are planning to recommence the kidney transplant programme at Nawaloka Hospital, which we had begun years back. We have made arrangements to recruit consultants who are experts in this field working in both the private and public health sectors. We intend to use a pool of specialists so that our programme will have the services of the very best; not only expert surgeons and physicians who will treat the patient, but an array of professionals such as anaesthetists, consultants, counselors and nutritionists. All these specialists will constitute a single team. Currently at Nawaloka we only do related kidney transplants. This means that the donor and the recipient are blood relations. In other countries and in other hospitals they sometimes conduct non-related kidney transplants, but because of ethical issues and the Government's mission to set up a national ethical committee, we only intend to proceed with kidney transplants between relatives.

Sri Lanka's Ministry of Health has at various points proposed the amendment of the Private Medical Institutions (Registrations) Act no 21 of 2006, in a bid to tighten the regulatory framework of the private health services sector giving more powers to the Minister of Health. What is your opinion on this?

The Government should have a steady policy. This policy should remain unchanged through each and every regime. If each government that comes into power begins to interfere with various amendments we will face problems. We welcome such enactments that will enhance the quality of private health care. As a hospital we conform to all Government regulations and we have been certified by external regulatory authorities such as ISO. The policies should be formulated to ensure uniform criteria for recruitment of foreign medical specialists.

We invest heavily on equipment and machinery. One day we are permitted to bring in foreign doctors if local doctors are unavailable, and the next day we are not. As a result, we have to keep certain sections and machinery closed for longer periods of of time due to the lack of expertise.

For instance, we have 14 theatres where we don't have the required consultants to occupy them from 8.00 am to 4.00 pm. Therefore, about ten of them are closed till 4.00 pm. This is a wastage of our valuable resources.

The excellence of our services, the commitment of our staff to do their best for the patients and our attempts at innovation and development all work together to achieve this success.

We are finding it difficult to hire a full time cardiac surgeon. Even though we have been advertising, we have not been able to find one in Sri Lanka and we are also prevented from hiring one from outside because of the rules that exist. The closest and the most reasonable in terms of payment are found in India. In fields such as engineering or for infrastructure projects you can bring down expertise from overseas; out in the health sector it is not the case. If we had the right people in the country we would not have to hire foreign doctors and pay them higher salaries, provide them housing, transport, schooling for their children and other facilities. However, when we cannot find suitable resources in Sri Lanka there should be a provision for us to hire from outside.

Therefore, there has to be a proper set of rules and regulations enforced by the Health Ministry, for the private sector; and they should be made aware of the rules. The Health Ministry, the SLMC and the BOI have to sit together and come to an agreement about these regulations.

Following the end of the 30-year war there have been many opportunities for development especially in the North and East. How would the Group contribute towards post war development and reconstruction in the North and East?

The North and East are still being developed and there is still much to be done. The infrastructure for instance, the buildings, and roads are still being reconstructed. However, we are in the process of establishing a small scale medical centre in the North where one could get their lab tests and x-rays done. However, these clinics or medical centres are not restricted to the North; we intend to open them all over the

country. We have also planned 50 bed hospitals for the other areas. We have still not decided on a hospital for the North as it requires a great deal of planning and the right staff. You cannot afford to make a single mistake in healthcare. In a factory you could take back the goods and give the money back in case of an error; here you have to be 100 percent accurate the first time. Therefore, having the proper staff is vital before we establish hospitals, not only in the North and East but anywhere in the Island.

Then again we have a subsidiary named Nawakrama, which focuses on pharmaceuticals and is already set up in the North in Sri Lanka. However, Nawakrama is involved only in trading transactions. Therefore, we could even close on holidays. Even if we do make a mistake only the owner will be at a loss, but if something happens to a patient from a retail pharmacy there will be serious repercussions. In addition, as the chairman of Nation Lanka Finance we are also planning on opening another office in these areas.

Sri Lanka has now emerged as a peaceful country in the region and is now stepping into a new era of socio-economic development. In this light, what plans do you have for the future of the Nawaloka Hospital and Group?

We Welcome Such Enactments That Will Enhance The Quality Of Private Health Care. As A Hospital We Conform To All Government Regulations And We Have Been Certified By External Regulatory Authorities Such As ISO.

In terms of the Nawaloka Hospital, we plan to further promote medical tourism. We offer medical tours for tourists. That is, we pick up the patient from the airport, look after him and provide the right treatment. Everything is offered as a package. All these services will be offered at half or one fourth of the cost borne in his own country.

I must however mention that during the 30 year war even though business was not very good, we still managed to survive. Through our best efforts we succeeded in maintaining a certain level and standard. Nawaloka progressed steadily through the war; the need for new ventures subsequent to the war are not imminent as many other companies have experienced.

Investment in Human Resources is vital to the proper management and operation of any institution. What measures have you taken in investing in

your staff in terms of training and development?

We continue to undertake medical education programmes for all grades of employees and conduct Continuing Medical Education (CME) programmes for all grades of employees from the lowest to the highest grades of nurses.

The other important aspect when it comes to businesses and industries is social responsibility. Could you talk briefly about how you practice CSR at Nawaloka?

We have regular free public health camps. We also work with organisations such as the Rotary Club and the Lions Club in conducting certain CSR activities. Then we do free fasting blood sugar and cholesterol tests. We have awareness programmes led by consultants followed by questions and answer sessions. We have awareness programmes for internationally recognised days such as Heart Day or Diabetes Day including World AIDS Day.

These are only a few examples. There is too long a list of activities conducted so far for the common good of society including those that we regularly do.

Nawaloka Progressed Steadily Through The War; The Need For New Ventures Subsequent To The War Are Not Imminent As Many Other Companies Have Experienced.

Any concluding remarks?

I have instructed my staff at Nawaloka to think a year ahead. I tell them “you are not working in 2011 but in 2012; you have to think of 2012 and do what you have to do for 2012”. Then you are on par with the rest of the world; with Europe, Singapore, Japan and other developed countries. If you think and act in 2011 you will lag behind. Therefore, at Nawaloka we are in 2012 and not in 2011. I stick to my schedules. If I have a function I am there ahead of time. Most evenings I am invited to many functions and I attend most of them. If you are organised enough, and follow clear cut objectives, you will succeed.

When we think and plan ahead we will earn a surplus. None of my staff gives me excuses. They have been given 90 percent authority. However, I am always available full time to deal with the problems they face. They know that and they work very closely with me. Therefore, one main reason for our success is thinking

ahead, and doing what is best for the future. We maintain a very good employer-employee relationship. Our staff is very loyal to the company. They don’t work just for the salary but for the patients who come for help and to give them their best. They are very hardworking and a source of strength.

At Nawaloka Hospital we work like a family. I have told my staff that my door is closed only because it is air conditioned; anyone can just walk in and talk to me. For instance, on my birthday my office almost resembled a flower shop.

My father lived till he was 92 and was very active even at that age. At 92 he came to office and remained here from 10.00 am to 6.00 pm. He did not just come to idle. He would get down every report and look into what was happening within the company. We at Nawaloka follow his example and do the same. As a result, we know exactly what is happening in the organisations. That is why Nawaloka is what it is today. As a result, we have managed to maintain a certain level and standard throughout the past few decades and will continue to do the same in the future.



