

# Touching The Heart



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The apparel industry is generally associated with his name, but Dian Gomes is more than that. He is a leader who needs to feel the pulse of the organisation. His unique management style, different thinking and deep belief that 'Sri Lankans and Sri Lanka can', has enabled him to venture where no one else has dared to tread. Appreciating young talent and the importance of skills developed through extra-curricular activities, Dian Gomes understands that to go forward Sri Lanka has to be on par with the changing world. He believes that "People will respect you and remember you only if you have touched their heart." With the apparel industry mainly comprising of privately owned companies, Dian Gomes, Chairman of Hela Clothing aims to take the company public in 2020 where employees too become the owners of the company.

**By** Udeshi Amarasinghe | **Photography** Mahesh Bandara and Menaka Aravinda

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**Can you tell us how you entered this venture and the milestones in your career?**

I qualified as a charted management accountant, after completing my schooling at Royal College, Colombo. I then began my career at KPMG Ford Rhodes. I moved on to a British design company specialising in interior construction doing mega projects, to became their Financial Controller at the age of 22. Two years later, I was their Regional Finance Director. I left the company when I was 26 years old, and joined the global Fortune 100 Company, May Department Stores, as their youngest General Manager globally in Sri Lanka. After a two-year stint there, I joined MAS Holdings, initially as General Manager, and within a year was appointed Finance Director.

An extensive part of my career was spent serving MAS, where I contributed towards the exponential growth of both the organisation and the industry. I retired 26 years later at the age of 55, which is our retirement age. My parting at MAS was sad, as I had to say goodbye to 30,000 people across our plants in Sri Lanka and overseas, people with whom I have built a lifelong bond.

After retiring, I wanted to pursue a few of my other interests such as Gandhara Street – my art street; teach leadership at the Colombo School of Leadership and Management, which I started with Prof Ranjith Bandara; manage my villas under the brand Villa Republic, and of course sports – boxing and fencing. But destiny had other plans for me.

My Hela venture began a little over six months ago. I first met Dominic McVey through a mutual friend, who wanted me to give Dominic some professional advice. Dominic made his first million pounds at the age of 15, and had been recognised by the Queen of England as one of the best British entrepreneurs in the UK. I found him to have great business sense, and more importantly, the will to be successful in Sri Lanka's apparel industry. He had acquired Hela Clothing (a 25-year-old company) from the British Fielding Group, together with Robert Wigley, former Chairman of Merrill Lynch Europe, and Tom Singh, founder of the British retail chain, New Look.

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## **Innovation To Our Customers While Sharing The Wealth With Our Employees. I Believe This Kind Of Business Philosophy Will Make A Difference In Sri Lanka.**

Hela was looking for a Chairman, and Dominic had planned to speak to me six months before they approached me. When they finally did, two points they made convinced me to get back in the game. The first was, "Who retires at the age of 55, when you know you have another good ten years to run the race and can continue to make a difference to Sri Lankans". The second was, "Why not leave a legacy, an inheritance for your daughters?".

I joined Hela Clothing as its Chairman, six months ago. The company was worth nine billion rupees. At that time we acquired an intimates group and ended the financial year with 21 billion rupees. This year's target is 28 billion rupees with employment for 10,000 Sri Lankans across 13 plants in the Island.

We have set up a factory with the Aga Khan Foundation in Kenya, and production facilities in Ethiopia. We also have offices in London and New York. We want to make Hela the first apparel company in Sri Lanka to go public, and are aiming at doing this in 2020, when the company is 50 billion rupees. We are already 20 billion rupees within the first year, and as such this is not an impossible dream.

### **What is your strategy to develop the business in terms of further expansion?**

My role as the chairman of the company is to get the best men and women on the job and give the support and mentorship they need to win in battle. When you are not the biggest fish in the industry, you have to build a culture that is twice as hungry, a talent pool that runs a 100m race for you and turns up the next day to do it again.

At the outset, we focused on setting up a strong foundation for the company to grow. Hence developing our manufacturing capability to be on par with the best in the world becomes imperative. Nipuna Dias, a man with two decades of apparel manufacturing experience has the task of converting our factories into world class lean manufacturing facilities.

We have made good progress, ten of Hela's 13 plants will have large production facilities and will work double shifts. Six plants have been introduced to lean manufacturing. In lean manufacturing you eliminate all waste in the process. Employees are empowered through a bottom-up structure, where they are given the power to make decisions. There will be minimum intervention during production, which is the highlight of the Toyota way. The plants with lean manufacturing systems are already showing results and the lean culture instilled within the company will bring a different dimension to manufacturing.

### **The Traditional Businesses Here Are Still Very Top Down. We Have To Look At Ways Of Attracting Young Talent.**

Our philosophy is in providing solutions through speed, newness and innovation to our customers while sharing the wealth with our employees. I believe this kind of business philosophy will make a difference in Sri Lanka. We focus on employing millennial talent, who have studied in either the best British or US business schools or are from the best engineering institutes in Sri Lanka. I am one of the few at Hela who are over 55 years of age. The traditional businesses here are still very top down. We have to look at ways of attracting young talent. Our Chief Executive at Intimates, Dilanka Jinadasa (29), obtained his masters from the University of Nottingham, as did Chief of Innovation, Nissanka Warnapura (32). Head of Strategic Business Planning, Satchith Kurukulasuriya (29) obtained his masters from the London School of Economics. Many young Sri Lankans choose to return after completing their studies overseas. It is up to us to create a working environment in which they can grow. Managing young talent is difficult. I would say it is similar to raising children. They challenge you and the status quo, and they require a lot of freedom. But I want this office to be a "young office", a dynamic place that will create ripples in the industry.

However, everything depends on the talent available and that is what everyone wants as well. But, how do you track down and retain the best talent? Our biggest tool is that we are offering share options. We are going public, as such there is opportunity to own shares of a company of this magnitude. We want to create excitement and buzz among the younger guys as well as those who want to make things happen. Even if you have 0.001 share you are an owner of the company. This creates ownership and thereby a different level of thinking. Having worked in different organisations I know that one share makes you feel proud of being a co-

owner of a company.

**Everything Depends On The Talent Available And That Is What Everyone Wants As Well. But, How Do You Track Down And Retain The Best Talent? Our Biggest Tool Is That We Are Offering Share Options... This Creates Ownership And Thereby A Different Level Of Thinking.**

We have best practices such as female empowerment where the workers have a say in their management. I always practiced this in my previous job as well. I have never had any trade union formation throughout my 25 year career and instead took the role and responsibility of a would-be union leader. I always believe that without troops you cannot lead into battle. I was pretty good at that. Even during my school days, I was radical and controversial. I had a tendency of putting the boxing gloves on. I am much more mature now, I am more of a coach now bringing in that philosophy of making people happier.

In terms of globalisation, we need to look at things differently. Sri Lanka will still remain as a destination for technically advanced or innovative products, however basic products will move to destinations such as Kenya and Ethiopia, where there is a huge duty advantage going up to 30 per cent to the US. Ethiopia has duty free status to about 80 per cent of the world including Japan, Australia and China. Therefore, we become ten per cent cheaper than Bangladesh, which is one of the lowest cost bases and about 20 per cent cheaper than Sri Lanka. Setting up a plant in a foreign country is a huge challenge. But all plants are run by Sri Lankan management so we are opening new frontiers for the Sri Lankan apparel industry. We have a 25-member team in Kenya and a 25-member team in Ethiopia, which are training the Ethiopians and the Kenyans. We are also looking at setting up a production facility in Mexico. Speed is key in apparel and we will constantly look at opportunities to become faster and closer to our customer.

Innovation is also an area of focus to us. Our customers want wearable technology that is practical, affordable and is aligned with their lifestyle. This will be driven by Helavation, our subsidiary, which focuses on developing innovative solutions. On the technology side, we have looked at automation, where we plan to introduce robotics to the manufacturing processes. We have the best engineers, from both Moratuwa and Peradeniya University, joining our teams to bring in automation.

Technology is changing, we are constantly looking at how to leverage technology, be it 3D printing, digital printing, or robotics to be faster. How do we cater to the cravings of the millennials who will make 40 per cent of the retail market by 2020? That is basically the strategy, but we need execution as well. For that we need to recruit the right people for the right job and give them the freedom to deliver.

I'm definitely excited about the journey ahead of Hela. We just kicked off the Hela Boxing Club and the Hela Fencing Club. We have already started making waves in that sphere as well. I believe the company will make a difference in Sri Lanka in the next four years.

**Hela Clothing has acquired and merged with a few Sri Lankan apparel companies. Will you be looking at any acquisition in the future as well?**

We are looking at a few companies, which have shown interest to tie up with us. It is important to form strategic partnerships, where all parties stand to gain. I believe that to form meaningful relationships with large retailers, a company needs to have the scale to recruit the right management.

**Can you tell us how the British partners are contributing to Hela?**

The British partners contribute in two ways. One is the international exposure they bring. Having board members who are either a founder of a global retail chain or who have held senior positions in the Bank of England and at Merrill Lynch allows our young team to tap into a wealth of experience in ethical business practices and in taking companies global.

I must also mention our joint venture partner, the Aga Khan Foundation, which is well established in Africa. It owns Habib Bank, Ethiopian Airlines, is present in 30 industries in the continent, and is known for its philanthropy and CSR activities. Tying up with the Aga Khan Foundation gives us great strength. I have always believed in sharing in terms of resources and managing partnerships, because one cannot be the best in everything they seek to do.

I also believe in recruiting people who are better than me. If I look at myself and look back at what I learnt during my accounting career, everything is now obsolete.

The only thing I can provide is inspiration, experience, motivate people and make Sri Lankans believe that we are capable of building global companies. There are great Sri Lankans in every sphere and we need to open up, think differently and bring in young talent.

**What are your thoughts on the apparel industry in Sri Lanka?**

The apparel industry is Sri Lanka's largest provider of employment. Directly or indirectly, no other industry matches the apparel industry. It contributes the most to the country's exports – about five billion dollars. It also provides employment and management resources to the garment industry in other parts of the world.

**We Have To Accept That Visionary Leaders Such As Mahesh Amalean And Ashroff Omar Have Been Pumping Profits Back Into Their Companies To Take Them To A Different League.**

This industry has evolved and become very resilient over the past 25 years. During Sri Lanka's armed conflict, it was the garment industry that sustained the economy. Some of the larger companies made that difference. While the industry is fragmented, the general idea now is that it comes together and forms alliances. In order to compete globally and internationally, we must have the scale.

Although there is intense competition, I feel that the apparel sector is a very cohesive industry. JAAF, which is our apex body, is very strong and can influence the decision makers. Each successive government has allowed us to function more or less, independently, because the garment industry is too large to "mess" with. It is the growth engine of the private sector.

**What more can be done to develop this sector?**

We need to have a very clear policy. We need the right people doing the right job so that we can execute the vision and plans Sri Lanka has. Currently the industry drives it. The Government should set up more investment zones and provide tax breaks in specialised areas so that the country becomes more competitive in the future. Sri Lanka is no longer the lowest cost base for the apparel industry. There are other countries with much lower cost bases and we need to understand that. We must identify and address these gaps.

Competition has driven the industry to invest in new technology, which has influenced the progress of the industry. Sri Lanka can boast of state-of-the-art apparel plants, which are as good as any European plant. However, today, 40 per cent of Bangladesh's plants are as good as ours. This was not the case ten years ago. We need to work together towards being a step ahead to maintain our competitive edge.

The apparel industry has a good rapport with the universities where students secure internships and employment than most other sectors. Relatively the apparel industry is ahead. That is because it is cohesive and with scale. We are able to bring investments back to the company, which most of the other industries have not been able to do. I know this because I have served on many boards across other sectors that do not retain the required profits to invest back into the industry and upgrade equipment and technology. We have to accept that visionary leaders such as Mahesh Amalean and Ashroff Omar have been pumping profits back into their companies to take them to a different league.

We have to look at development of this industry with an open mind. Looking at the varieties of capitalistic models under which industries have been successful in countries such as the USA, UK, Germany and China, are a good benchmark. For instance, we should learn from successful industries such as the IT industry in Silicon Valley, where its rapid growth has been influenced by knowledge shared through a culture that encourages free movement of personnel within the industry. This is the only way to develop as a nation and grow our industry.

### **What about Sri Lankan companies becoming more global?**

All of the top eight large Sri Lankan companies are global. They all operate in at least five or six countries. I think we do not talk about this much because of a certain negative perception attached to the rationale behind Sri Lankan companies moving into other countries. But what we need to understand is that no customer will put all their eggs in one basket, so to speak. Our main customers such as Marks and Spencer, Calvin Klein, Super Dry and Levis, will not want to have all their plants in one country. They want to mitigate risk.

We need to be in numerous locations with different cost bases in order to better

service our customers' every need.

**Working In Pannala, In The Early 90s Entirely Changed My Philosophy Towards Life. I Stopped Going To All The Cocktail Parties And Started Teaching English At The Village School.**

We have to have models that give us speed. We also need to offer investors better duty facilities so that Sri Lanka will retain the high-technology and innovative products. Sri Lanka can definitely be proud of its ethical manufacturing. We do not have child labour and sweat shops. We are compliant with global ethical standards, and this is a great victory for Sri Lanka. Over the past ten years, we have really focused on maintaining those ethical standards of manufacturing.

**You are also a sportsman, how has that experience helped you?**

The first rule in sports is that you must understand defeat. I was the fly weight champion at Royal College for four years, and was Sri Lanka's junior fly weight champion. I was arrogant. This is the last thing one should be in sports. I remember at the Asian Games trial, I had a match against H S Caldera, who was not known in the local boxing arena at the time. Arrogantly, I thought no one could touch me. In that match with Caldera, the first thing I saw in the second round was the canvass. He put me down twice and I survived. Although I never put on my boxing gloves again, when I became President of Sri Lanka Boxing, the first thing I did was to appoint H S Caldera, who went on to win bronze medal at the 76th Asian Games, as the Chairman of my selection committee. People thought I was crazy and asked me the rationale behind my decision. He taught me defeat in life, you need to understand defeat. I tell this story to my colleagues and in my motivational speeches. I tell my daughters that once they understand defeat, they will know what it takes to win.

When people look at my track record – FCMA, CPA, the Harvard Business School, Wharton Business School, business and sporting success they think I did everything right the first time around, but that is not true. I completed my CIMA finals in my third attempt. I was defeated more times than I can count in boxing, in my career and in business. But sports gave me that strength to understand and overcome it. Losing the first time does not mean you do not try again. Success comes to those who persevere.

That is why I believe in employing people with a sports or extra-curricular background, even writing novels, composing music, or playing instruments, because God has given us different talents. My job is to recruit people who are better than me and manage them like the conductor of an orchestra. But the more talented the people you hire, the more difficult it becomes to manage them. That is what I have done for 25 years.

I am a trustee of the Colours of Courage Trust, and we built a hospital in Tellipali after two of my fellow trustees Nathan and Sarinda walked more than 600 Kilometres from Point Dondra to Point Pedro. I could not walk, with Nathan and Sarinda, but my athletes and one of my boxing prodigies Manju Wanniarachchi did, because they understood and were committed to the cause. People tend to respect you for being forthright and controversial in the long term. They may get upset in the short term, but they eventually realize your end game. I always say that when I come through the airport my litmus test is when people either recognise the face or the name and ask me when I am going to win the next boxing medal for Sri Lanka. No one has ever asked me how the company was doing, whether we were making profits or not. What matters is what you are doing for the country. They want to know about the next hospital we are building and about the next athlete we are training. That inspires me. Many do not understand what builds Sri Lanka and what brings Sri Lankans together. People on the ground understand that.

**I Always Believed That Sri Lanka And Sri Lankans Can. I Went To The 'Frontline' With The People To Make A Difference For Them.**

Working in Pannala, in the early 90s entirely changed my philosophy towards life. I stopped going to all the cocktail parties and started teaching English at the village school, when I was based there. Today I am back in Colombo knowing that I have made a difference to someone in a remote village. That is what drives me, sports and helping people are what makes life exciting. I don't want to grow old manufacturing garments I want to do a hundred other things.

**In Sri Lanka, companies rarely give a chance to the young. What are your thoughts on this?**

A company cannot survive without young talent, because the world is changing so fast. Just because you have been successful for 25 years in your career does not

mean that you are going to be successful in the next five years. Technology and everything that goes with it is changing very quickly, and the younger generation is more aware of it and well versed in adapting to it than we are.

My daughters understand the applications on an iPhone or an iPad better than I do. For me, a phone is still a tool for basic applications. They use it to order taxi's through uber, make a reservation at a restaurant, or to book airline tickets. I still like to call my travel agent and I want to have someone checking my schedule. Do you think we will be able to enjoy these luxuries forever? No. If we do not bring in young talent, and change and adapt our business model, we will all become obsolete. It is a necessity if our aim is to play in the global arena.

All Sri Lankan accountants, doctors and other professionals who have migrated to the West have done well. Many in this country do not even know that there are 200 Sri Lankans working at NASA. We should have these resources in Sri Lanka. We need to create an environment in our private and public sector that would accommodate this talent. But this does not happen overnight.

**We are yet to see Sri Lanka producing its own apparel brand. Why is that?**  
I see one of the reasons for this being that Sri Lankan apparel manufacturers supply to prominent retailers. We cannot have "another" brand – so to speak – that is global and can compete with our major customers. It is a very sensitive area to tread. Moreover, we do not have global retail experience. The Sri Lankan market is also quite small, and I would say that to have a popular Sri Lankan brand, we need to have a global brand. It is a challenging venture, one that might be feasible if the larger apparel manufacturers were to buy a brand in the USA or Europe, and I believe some of them may pursue that.

**At Slimline we had the experience where you created something like a cult. Everyone associated the apparel industry with you because of what you created in Pannala.**

I always believed that Sri Lanka and Sri Lankans can. I went to the 'frontline' with the people to make a difference for them. People used to have this "juki kella" perception. I introduced the term 'Slimliners' at the manufacturing plant Slimline, to make people feel they are part of a larger group, and they were proud of the brand.

It was a very strong brand at the time. I plan to create this atmosphere at Hela too. One of the things that I always like to do is look at what brings people together, sports is one. When Sri Lanka played against Australia in 1996, we were all Sri Lankans; Sanath was not from Matara, Vaas was not a Catholic, Murali was not a Tamil, Arjuna Ranatunga was not an Anandian. We made Sri Lanka proud on that day. We all rallied around our team which represented Sri Lanka, undivided by race, religion, cast or creed.

That is why I use sports to create the brand. When that brand goes somewhere we become one, we become Sri Lanka. We have already put some billboards saying Sri Lanka can, we are not saying Hela can, we are saying Sri Lanka can. You feel proud when you operate in another country. We operate in Kenya and Ethiopia and what are those guys great at? Running the marathon. Once we setup our production facilities I want to help the athletes win the gold and they will run for Hela Kenya. We are part of it and Hela is a Sri Lankan word. They will be part of us in Kenya. I think very differently about branding and creating joy for people.

**People usually say that a person with an accounts or HR background should not lead an organisation; what are your thoughts on this?**

Coming from a finance background, I feel it is an advantage because from day one the senior management depends on you to tell them the numbers and whether they have made a profit or a loss. As you climb the ladder, you learn to manage people in a team. My forte is managing a large number of people, and I acquired this skill as a Financial Controller and then Regional Finance Director.

**People Will Respect You And Remember You Only If You Have Touched Their Heart.**

An HR background is also vital to those who lead organisations, if you do not have that, you are forced to acquire “HR skills” along the way in order to lead successfully. How management relates to employees and communicates with them is key. I believe you have to always tell the truth even if it is the hard truth, and explain why certain things are not possible. Ultimately, humanity, and the manner in which you treat people count. It is important to make time to speak to everyone including the service staff. In order to do that you have to manage your time. The only way I manage that is by recruiting people who are better than me.

Today, I run a 20-billion-rupee business, but it is important for me to be in the corner of the guy who is fighting a match for my company. That means I have qualified people to go through all the details. If I were to think that I am going to look into everything and not allow others to do their job, then I don't think that I should be here. Life is not worth it if we do not make the time for others. We live for a short time.

### **What is your advice to the young?**

Always believe that success will not come overnight. There are no short cuts, but a lot of hard work. If you believe that you can, and as Sri Lankans, we can, you will succeed.

Also, the light at the end of the tunnel will be very different to what you envisioned it to be at the start. The treasure you dreamt of in the beginning will be different by the time you reach your goals. When I first went to Pannala I wanted to be a corporate hero. I promised my wife that I would come back in three years, but it took me 15 years to come back. I came back a different man, who understood life. I understood the grievances of the people.

Today, when I look back, I wonder who really cares about the awards you win and the numbers you rack up. People will respect you and remember you only if you have touched their hearts.





