

WORKING TOWARDS A GREATER PURPOSE



S A P Suriyapperuma, Chairman/CEO of the Development Lotteries Board.

Purchasing lottery has become an element of popular culture, a pastime and a mini-investment for certain sections of Sri Lankan society. The main objective of the Development Lotteries Board (DLB) is to support and offer a helping hand to the disadvantaged undergraduates and those in need of funds for urgent healthcare through the revenue generated from the sale of lottery tickets. S A P Suriyapperuma, Chairman and CEO of the Development Lotteries Board, spoke about the industry in general and its trends, future objectives and the digital transformation of the lottery industry to drive growth through sales and to attract more Sri Lankans to participate in this sphere.

By Udeshi Amarasinghe and Jennifer Paldano Goonewardena. | Photography Menaka Aravinda.

What is the function of the DLB?

The Development Lotteries Board (DLB) is a government-owned entity and was established in 1983. The main objective of the DLB is to contribute monies to the President's Fund. When we look back to its history, the DLB commenced with the instant lottery, where one had to scratch the ticket and win the lottery, which is still the most popular. It was initially set up to collect money for the Mahapola Scholarship Fund, which was well-known during Late Minister Lalith Athulathmudali's tenure. The money collected from the sale of the Mahapola lottery, which was introduced following a concept of Minister Lalith Athulathmudali went towards the awarding of scholarships for university students. Later on the revenue thus collected was remitted directly to the President's Fund. The President's Fund has been set up to offer financial assistance to the needy to fund their urgent medical expenses such as for surgeries, apart from supporting the Mahapola Scholarship Fund. There are many who are in need of heart surgeries who can't afford the services of private hospitals and they have to wait at least seven to eight months to undergo surgeries at a government hospital, but unfortunately these patients cannot wait that long. Such individuals can appeal to the President's Fund to obtain funding approved for the surgery to be done at recognized private hospitals.

If the contribution of the DLB is, let's say 100 million rupees, 50 million rupees is transferred to the Mahapola Scholarship Fund, which in turn is disbursed among deserving university students. This includes all the students in technical colleges, Law College, and Medical Colleges. Students in need of money are provided for by the Mahapola Scholarship Fund.

Generally, the collection of the DLB is about two billion rupees per annum. Of the past ten years, the Board made the highest contribution to the President's Fund in 2018. The total profits of the DLB has to be transferred to the President's Fund and as such, we transferred 2,185 million rupees to the President's Fund last year.

Can you tell us about the functions and management of the network of agents?

We have 95 district distributors, Colombo has ten distributors, who are wholesalers. These district distributors buy tickets in bulk and distribute them among agents. Agents are the core contributors of our business. There are 2,750 agents who buy their tickets from district distributors, and sometimes these agents will either sell tickets themselves or appoint assistants. Generally, there are around 14,000 to 15,000 assistants island wide. These assistants receive a commission. The DLB pays 3.75 rupees per ticket; out of every ticket sale, the agent retains one rupee and will give two rupees and seventy five cents to the assistant. It is the assistant who is at the lottery booth, selling tickets on bicycles, on motorcycles and tricycles. Some assistants sell tickets on foot, walking around seven kilometers a day.

At the Head Office, there is a management team and a board of directors appointed by the Minister, with representation from the President's Fund, the Mahapola Scholarship Fund and the Treasury and two appointees of the Minister of Finance. We also have a junior management team.

People buy a lottery ticket expecting to win. Although the money from the purchase of tickets goes towards a good cause, what are your thoughts on people getting addicted to the buying of lottery tickets?

If you go through the history of lottery tickets, it's not only in Sri Lanka, but around the world, people are in the habit of going after money, and people, whether rich or poor, follow a religion and believe that someday their god would make them rich. The number one reason that people buy lottery tickets is with the expectation of winning the jackpot. The poor and middle-class people buy tickets as a hobby. In Anuradhapura and Monaragala, people who do not have a great deal of other sources of entertainment buy tickets. There are some others in society for whom buying lottery tickets is similar to playing a game, they will carefully go through the numbers. The tickets consist of signs such as the alpha-bet, zodiacs, and numbers. Numerology is very popular in Sri Lanka and people believe in zodiac signs and so the most popular lottery is the Lagna Wasana. For the middle class, buying lottery tickets is like a game, in fact, it's like gambling for them. On the other hand, at least ten percent buy lottery tickets as a national responsibility. The price of a ticket is 20 rupees and these people believe that even if they lose 20 rupees, out of which, ten rupees will be channeled towards development.

However, the DLB does not contribute directly towards development but takes care of the people of this country who are in a position to support the development process. Undergraduates, for instance, will one day graduate from the university

and contribute towards the country's development. People who are ill will be able to return and make an economic contribution once they are cured. Therefore, some people buy lottery tickets with the belief that they are doing a social service. I have noticed that people who have migrated to other countries tend to buy lottery tickets to the value of 5,000 rupees when they come on holiday. They will generally buy tickets from a differently-abled seller or someone in need and will, in turn, donate the tickets to the seller. They want the seller to keep the tickets and if there is a win, to keep the money as well. As you can see, such individuals are not in pursuance of money.

Can you tell us about the CSR projects implemented by the DLB?

The DLB has 550 people with special needs selling its lottery tickets. You will meet lottery sellers in the North and the East of Sri Lanka who had lost limbs and sustained other injuries as a result of the war. We have tried in the last two years to get all of them into our system. For that purpose, we have given them a tricycle free of charge and with that, a special needs person can travel around the city and earn at least 1,500 rupees to 2,000 rupees per day. Under this project, the DLB has given 125 tricycles to people with special needs. These people are happy with this initiative as they don't have to beg, and they are also happy that they are afforded work by the DLB and earn a daily income.

Within the network of lottery sellers 80 percent of the agents are over 55 years of age. It's very rare for a young person to enter this line of work, although now we have had graduates joining us as distributors and agents and they utilize modern technology to run their operations. This has allowed them to conduct their business on a larger scale. The positive aspect is that others cannot compete with them. That being the exception, most agents are above 55 years. I met a lady in Anuradhapura who was 75 years old, who is an agent and continues to sell lottery tickets at the market. Such people have been loyal to the Board. For the past 35 years, she has earned her bread and butter from this trade. Unlike a bank, the DLB works 360 days of the year, we close only for five days for a year, three days for the Sinhala and Tamil New Year and two days for Vesak. The public must understand that our people work at least ten hours a day. It's a difficult job. But they are very hard-working people. Once inside that small counter, the seller has to remain within even if it is raining, because once they buy tickets they have to sell them. We accept returns till four in the evening. Otherwise, the seller has to bear the cost of the ticket, which is 20 rupees each.

The DLB following discussion with members of its Board initiated a medical camp for assistants and agents. The medical camp is extremely popular among the agents and the assistants and also the general public. There are lots of positive comments about it. We have conducted medical camps in Colombo, Galle, Kurunegala, Kandy, Badulla, and Hambantota. At least 500 to 1,000 agents and assistants have attended these medical camps. Two weeks prior to the camp we dispatch mobile laboratories to do blood tests and checks, including eye-sight, and later they are all brought to one location where there will be at least ten doctors in attendance, who will go through reports and dispense medicine or direct them to clinics and hospitals and if there is a serious medical condition such as heart surgery, they can claim money from the President's Fund. We are planning to conduct a medical camp in Ampara and Nuwara Eliya. The reason for selecting these two areas is because they are ethnically diverse. In Ampara one third is Sinhala, another one third is Muslim while the other one third is Tamil. In Nuwara Eliya, Sinhala and Tamil people consist of 50 percent each of the total population. We hope to continue with this CSR project this year as well as the following year.

In terms of technology, what is new at DLB?

In terms of technology, the DLB was somewhat backward when I took over as Chairman. We still follow traditional methods of issuing results, such as through television and radio. As soon as I took over, we developed an app with a mobile operator, allowing those who download the app and register to receive the results of the draw via an SMS at 10.30 in the night no sooner than the draw concludes.

The second system of issuing results is via an IVR system, where the results are uploaded to the phone, so that any person can call the DLB with the brand of ticket, draw number, and date and receive the results over the phone.

The DLB Sweep is the latest step in digitizing the system and this is a first in more than three decades of the history of the Board that such convenience has been introduced. The term 'sweep' used to be the common term used in Sri Lanka to describe lottery tickets from a very long time ago. This new system is aimed at young people and white-collar workers and has already become popular among them. Once the DLB Sweep app is downloaded to the mobile phone, the ticket can be placed on the scan box to receive the results, which will also provide the results of the winning tickets, including that of the user and the draw number. Besides, it will also give the value of the winning prize. There was a delay of six months in launching this app as we had to obtain the approval of the Central Bank because we

use an e-wallet. The prize money of 100 or 1,000 rupees will go to the e-wallet and the person does not have to go to collect the money. This money can be used to purchase more tickets. If the value of the prize is more, the owner of the ticket can collect the prize money from an agent. If the winning prize is over 20,000 rupees the winner has to call over at the DLB head office.

We have planned to launch the second phase of this app in November. The reason that we decided to launch this online system is to increase the purchase of lottery tickets, which are bought by only about 18 to 20 percent of Sri Lankans, and most women don't go to a ticket booth to buy a lottery, because the booth is often situated along the pavement and hence looks like a hawker's stall. Yet women do want to buy and try their luck at winning. With the next phase of this app, once downloaded any-one can buy tickets online. The personal identification is the person's identity card number. Payment for the purchase could be made with a credit card, through the current or savings account or any other mobile cash transfer system. It is 100 percent automated. This new app allows the purchaser to choose the preferred ticket numbers. If the desired number is unavailable, there will be a notification indicating that the selected ticket has been sold. This way a person can try ten times, and if a preferred ticket number is unavailable even after ten attempts, the system will provide a number. The objective of digitization is to attract the white-collar segment and especially the younger generation to play the lottery. Young people want cash to buy many things, but don't have a way to buy lottery tickets.

Today Sri Lanka has six million android phones in use, so our main objective is to target these six million people using smart-phones. Secondly, two million people are living outside Sri Lanka, which includes the diaspora and migrant labor, in USA, Canada, and the Middle East, Malaysia, Indonesia, Korea, and Japan, where there is a significant number of young people and we intend to sell tickets to this segment through this app. This will help us to earn foreign exchange as well. Sri Lankans living abroad can either register through a local bank account to pay in Sri Lankan currency or pay with a foreign credit card, which will help us receive forex. This way we envisage in two years to collect at least 100 million USD per month. This is a big amount and our turnover will double.

This is, of course, a very cost-effective system, because buying online means there's no printed ticket, only the format of the printed ticket is received online. The phone has to be placed on the QR code to get the results. Today everything is becoming digitalized, and transactions are becoming cashless. Under this system,

prizes up to 20,000 rupees will be directly transferred to the account.

When I took over, the conditions of lottery booths were not up to standard. Therefore, I started bringing in change by introducing 100 new spacious booths with prominent branding. We handed over 100 DLB booths free of charge to the North and the East, as we realized that many were unemployed as a result of being disabled due to the war, so we obtained Board approval to give them. The exercise cost us 43,000 rupees per booth. Today, all the people who received them are earning at least 2,000 rupees a day. We have already recovered what we spent on the new booths. In 2018 we replaced old booths with 500 new booths and this year with 250 new booths, and within the next two months, we will be replacing another 200 existing booths with new ones. I envisage that with a new booth at least 200-300 people will call over for a day to buy tickets.

Can you tell us about your background and career history?

I was a banker, starting my career as a clerk at the Badulla branch of the Bank of Ceylon. My first job involved counting coins. After three months, the manager realized my potential and sent me to the current accounts section. Within five years I received my first promotion as Management Assistant. It was during this time that private banks began to emerge and given the demand for young bankers and people with experience, I joined Seylan Bank as a Senior Manager. I worked there for six years ending my tenure in Pettah. Working in Pettah was like earning a degree because you work in a complicated and risky market. In 2002 I resigned and dabbled in a bit of politics, working for Prof G L Peiris for two years. My first government appointment was as Chairman of Lanka Cement, a subsidiary of the Cement Corporation. Thereafter, President Chandrika Kumaratunga appointed me as a Consultant to the Ministry of Samurdhi Affairs and Director of Samurdhi

Following the signing of the free trade agreement between Sri Lanka and India, oil refining plants were being established in Sri Lanka. The first ten investors were from India and when a friend offered me the license to run a refinery, I had no experience in manufacture, but together we began a palm oil refining plant. I worked in the oil refinery for eight years, and then I was asked to travel to Africa, to work for a multinational company operating in 58 countries.

I took up the challenge to go to Ghana. While the Sri Lankan plant was handling 200 tons per day, the plant in Ghana was handling 1,000 tons per day. It was a huge plant and since there were some issues, it took me a year to put everything in

order. I worked with 36 migrant workers from Indonesia, Malaysia, Singapore, the Philippines, other African countries and Sri Lanka and 700 Africans. The biggest challenge was working with Africans – they have big physiques and initially, I was apprehensive about working with them, but gradually I developed a relationship with them and they started respecting me. I spent four years in Ghana and I built the best team in Africa, after which, Nigeria, Ivory Coast, Zimbabwe, and Zambia, began hiring people from our plant because they were well trained.

When I wanted to return to Sri Lanka, the Chairman, wanted me to go to Zimbabwe. There we cultivated soya bean and manufactured soya oil and butter. I gained experience in manufacturing in those five years. Then upon my return to Sri Lanka, there was a vacancy in the DLB and the President appointed me to this position.

During the two years of my leadership, this organization has been improved and we have already contributed 1.9 billion rupees in 2019, which is a big amount for nine months. This year we are hoping to earn a profit of 2.6 billion rupees. As part of educating the staff, I tell them that what they are doing is not just a job and also to not do it as a job. They are part of an operation that collects money for CSR projects.

Equipped with such a mindset, our employees travel around the country promoting, selling tickets and collecting money, and their participation to help with the medical camps have been voluntary. Although it's difficult to completely change the attitude of government employees, I have managed to do it to a certain extent. They believe that they are not working for a salary, but for a greater purpose.