

Review Paper – Literature Research of Factors Limiting the Growth of Sri Lanka’s ICT / BPM Industry

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Abstract: This is a review paper that does an in depth literature review around Factors Limiting the Growth of Sri Lanka’s ICT / BPM Industry. Essentially, the study looks at both local and international literature available on this area. This literature survey was done as part of a doctoral degree research. The paper gives a clear understanding the definition and scope off the ICT/BPM industry. It also reveals where Sri Lanka stands compared to other countries. It also helps in establishing the important factors that are limiting the growth of ICT/BPM industry in Sri Lanka. For this, a special consideration has been given to literature related to Sri Lankan outsourcing industry, while weighing in from an international research literature perspective.

Keywords: ICT, BPM, Sri Lanka, Industry Growth, Outsourcing, Factors

I. INTRODUCTION

Information and Communications Technology (ICT) and Business Process Management (BPM) related outsourcing services are a key pillar of the Sri Lankan economy. This review paper is based off a literature review of a doctoral study that develops a growth model for this sector. This paper reviews related definitions, growth factors, models from other countries and related industry and academic literature.

II. UNDERSTANDING THE DEFINITIONS

Scholars have defined outsourcing as the ‘purchase of a good or service that was previously provided internally’ (Lacity & Hirschheim, 2012; Lacity & Willcocks, 2012).It is to find a partner with which a firm can establish a bilateral relationship and having the partner undertake relationship-specific investments so that it becomes able to produce goods or services that fit the firm's particular needs’ (Grossman & Helpman, 2005). Scholars and practitioners agree that outsourcing offers and has offered opportunities for ‘well-run’ companies to increase their profits and some of them have exploited such opportunities (Quinn, 2013; KPMG, 2013; Lacity et al, 2010; Lacity et al, 2011; Aleman, 2014).

ITO is understood as the ‘practice of outsourcing IT services such as application development, application communications and network management, distributed computing’ (Lacity & Willcocks, 2012).BPO is the ‘practice of outsourcing business services, including financial and accounting, human resource management, procurement, research and development and legal services’ (Lacity & Willcocks, 2012).Knowledge Process Outsourcing (KPO) has been dubbed as the 'new industry trend' (Mudambi & Tallman, 2010) and the 'next step up the outsourcing value chain' (Evalueserve, 2004). Our review suggests that KPO originated in India (Devi & Devi, 2010), but is now on the rise in other markets like Eastern Europe. (Aleman, 2014)

Sri Lanka’s ICT Agency (ICTA) Workforce Survey report explains how the global ICT sector is rapidly being transformed by innovations of new generation technologies (ICTA Workforce Survey, 2019). Globally the industry was to spend \$5 trillion in 2019 which is an overall growth of 5% from 2018. Out of this, the spending on new technologies is expected to rise by 16% while the growth of spending on traditional ICT is predicted to remain at 3% as in previous years. (ICTA Workforce Survey, 2019)

The report also explains that the developments in ICT have opened up the opportunity for BPM to grow into an extensive industry with a market of its own, creating a demand for a skilled workforce. According to Televisory, a market intelligence firm, the global outsourcing market has doubled from US\$ 52 billion in 2001 to 104 billion in 2014. The BPM-Global Market Outlook (2017-2026) predicts that BPM would grow at a 15.5% compound annual growth rate (CAGR) from 2017 to 2026.

In Sri Lankan context, what is referred to as BPM effectively is the collection of BPO and KPO (ICTA Workforce Survey, 2019).

III. SRI LANKA ICT / BPM INDUSTRY

The 2017 annual report of the Central Bank of Sri Lanka states that, “The computer and information services sub-sector also maintained its growth momentum in 2017. Accordingly, gross inflows to the computer and information services improved by 8.5 per cent to US dollars 786 million during the year”. However, A.T. Kearny report (2017) indicates that Sri Lanka currently records USD 900 million. ICTA’s 2019 Workforce report indicates that earnings from the export of telecommunication, computer and information services

(according to Central Bank of Sri Lanka Reports) have increased to US\$ 995 million in 2018. This is a 7.5 % growth from US\$ 920 million in 2017. Of the total earnings in 2018, US\$ 848 million (85%) was earned jointly by ICT and BPM companies while telecommunication contributed to US\$ 147 million (15%). The sector has grown 120% over the past five years, becoming the fifth largest source of foreign earnings in the economy. (ICTA Workforce Survey,2019)

Sri Lanka's ICT workforce has grown by 42,019 employees since the last projection of 82,854 in 2014 to reach 124,873 in 2018 (ICTA Workforce Survey, 2019). The BPM workforce in the country has increased from 17,427 in 2014 to 25,510 in 2018 (ICTA Workforce Survey, 2019).

Sri Lanka Association for Software and Services Companies (SLASSCOM) in its strategic report in December 2016 establishes the goals for the industry to be achieved by 2022, as USD 5 Billion export revenue, 200,000 people working in the industry and 1,000 new startups in this domain. Currently the workforce is 125,000 (SLASSCOM, 2016). This has been revised in 2020 to achieve USD 3 billion and 300,000 in employment by 2025 as per Sri Lanka's new President's vision. (Future Vistas of Prosperity and Splendour ,2019). It is also interesting to note that target has been reduced from US \$ 5 billion (which was to be achieved by 2022) to US \$ 3 billion (to be achieved by 2025). This point itself highlights the challenges faced by the sector in growing its revenue.

ICTA's workforce survey report summarizes some of the achievements of the Sri Lankan ICT / BPM Industry.

- Ranked among the top 10 emerging global destinations by Global Services Magazine
- 'Offshore Destination of the Year' by National Outsourcing Association of the UK in 2013 and 2014. Shortlisted for the Award in 2015
- Ranked in Gartner's 30 'Leading Locations for Offshore Services' positioning among the Top 6 in Asia Pacific in 2016
- Ranked 11th in the A.T. Kearney's Global Services Location Index (GSLI) in 2017
- Ranked 12th in the top destinations in IBM Global Location Trends Report in 2012
- Ranked 16th in the Tholon's top 100 outsourcing destinations in the world in 2016

However, it is worth noting that in A. T. Kearny Report in 2019 (Kearny, 2019), Sri Lanka has gone down in ranking to 25th position, a decrease of 14 positions.

According to the Island of Ingenuity website material, maintained by the Export Development Board (retrieved on 12th Sep 2020) (available at <https://islandofingenuity.com/>), Sri Lanka is the first country in South Asia to trial 5G technology and was also the first in commercially launching a 4G-LTE network. According to the same source, Sri Lanka is the most efficient in South Asia in the 'trading across border rankings', 2017.

According to the EDB website, the Sri Lankan ICT sector serves a number of industry verticals with over 300 companies at present. These include communication, apparel and textiles, banking financial services & insurance, healthcare, manufacturing, media, retailing, transportation, travel and leisure and many more.

According to the EDB website, ICT services on offer are- Big Data Solutions, Business Solutions and MIS, Client-Server Architecture, Cloud Services, eBusiness Development, ERP Software, ICT Infrastructure & Services, IOT, IT Education & Training, Mobile Application Development, Payments Processor, Real-Time System, Software Development, Systems Integration and Web Development and Marketing.

EDB also states that Sri Lanka's promise as a country are - High Quality Work, Excellent Aftercare Service, Meeting the Client's Requirements up to the Standards expected and Delivery on time.

The EDB website has a high-level description of BPM services and is quoted below.

"As one of the best destinations providing off-shore services in customer service management, finance and accounting services, legal, insurance, banking, telecommunication, and other sectors. Many global service providers such as HSBC, WNS, Accenture, Dialog Axiata, Copal Amba, Medigain, E&Y, RR Donnelley selected Sri Lanka to set up their businesses. (EDB website)

Asia Premiere article titled "What is Business Process Outsourcing? defines Business Process Outsourcing as a business practice of subcontracting non-core business operations and activities to a third-party service provider. It further explains that Business Process Outsourcing companies offer services that serve as an extension of the client's company. Most companies engage in business process outsourcing for back-office and front-office functions. Back-office functions, also known as internal business functions, include accounting, IT services, human resources, quality assurance and payment processing. Front-office functions, on the other hand, include customer care and services, marketing and sales. Another common misconception is that BPO Companies equate to call centers. Call centers are one of the services BPO companies provide their clients. However, BPO Companies also provide other services such as human resources, accounting, customer/call center relations, tech support, trading & marketing, real estate, e-commerce, to name a few. Although organizations generally outsource non-core functions, in certain cases they outsource some critical tasks. Most

common of those are customer service, financial services, and IT operations. They also outsource strategic tasks such as data mining, data analytics, lead generation, etc. –all of which are essential elements for digital transformation and for competitive advantage in a digital economy. Since companies around the world provide BPO services to organizations, BPO can be divided into different types based on location, namely offshore outsourcing, onshore outsourcing, and nearshore outsourcing. If the company outsourced a BPO company from a foreign country, it is offshoring. Meanwhile, if they outsourced within the country, it is considered domestic or onshore outsourcing. Lastly, if they contracted a BPO company in a neighboring country, it is called nearshore outsourcing. Moreover, BPO can also be categorized based on the services being provided. Knowledge process outsourcing or KPO is when the outsource service provider is hired for their expertise on a particular business function. The next two categories are a form of KPO. Legal process outsourcing (LPO) is specific to providing legal services, from drafting legal documents, performing legal research, to offering legal advice. Lastly, a research process outsourcing (RPO) refers to research and analysis functions. (Asia Premiere website)

Business Process Management as explained by Gartner is a discipline that uses various methods to discover, model, analyze, measure, improve and optimize business processes. A business process coordinates the behavior of people, systems, information and things to produce business outcomes in support of a business strategy. Processes can be structured and repeatable, or unstructured and variable. Though not required, technologies are often used with BPM. (Business Process Management, Gartner)

National Export Strategy document (2018-2022) prepared by the EDB, identifies six (6) sectors as focus areas for export development and IT-BPM is one of those sectors. This strategy identifies two specific areas as priorities for implementation. First, create a business enabling environment and address policy and regulatory bottlenecks swiftly, providing the necessary institutional support to improve marketing and promotion of the sector. Second, launch a ‘champion builder’ programme to target firms with exponential growth potential that collectively can help boost sector export revenue by US\$2 billion. (National Export Strategy (2018-2022)).

The new President of Sri Lanka also aims to make Sri Lanka a digital innovation hub. He indicates that Sri Lanka must maximize the use of the internet of things (IoT), artificial intelligence (AI), biotechnology, robotics, augmented reality, cloud computing, nanotechnology, and 3D printing and through these innovative measures establish Sri Lanka as a global innovation hub. (Rajapaksa, 2019)

The Global Startup Ecosystem Report 2020 (GSER2020) has spoken about Sri Lankan startup eco system but it is noteworthy that Sri Lanka is not part of top 30 startup eco systems. It is also worrying that Sri Lanka is not part of the next 100 emerging startup eco systems either. This proves the industry goal of 1000 startups in this sector by 2022 is definitely challenged by the eco system situation.

IV. UNDERSTANDING TURBULENCE IN SRI LANKA

A sustained economic and social disturbance can be observed due to the civil war that took place from 1983 and lasted till 18th May 2009, for nearly 30 years. At the end of the war, a great wave of optimism ran through the economy. In particular the ICT / BPM industry built high hopes for the sector, expecting more opportunities.

The post 2010 tensions were fueled by cultural tensions between the Sinhala and Muslim communities. Unfortunately, as it developed it also began to target the Muslim and Christian communities. In July 2012, during its inaugural national convention, BBS advocated a ban on vasectomy and tubal ligation in government health facilities as the birth rates of Muslims were high. In addition, as Muslims practiced and adhered to Islamic law, BBS called for the replacement of various legal systems used in the country with a single legal system (Gunaratna, 2018). On 4 October 2012, protestors threw stones and bottles at the Bangladeshi High Commission in Colombo over the destruction of Buddhist temples in the Cox's Bazar District in Bangladesh. Similarly, on 14 October 2012, BBS stormed a house in Piliyandala where a Christian evangelical group was allegedly planning to ‘convert’ Sinhalese Buddhists. On 25 October 2012, BBS followed it up with a huge protest demonstration in Badulla against conversion, vandalism of Buddhist sites and Islamist terrorism. On 26 February 2018 a group of Sinhalese youths arrived at a restaurant in Ampara town and alleged that there were infertility pills in their food (Gunaratna, 2018).

Late in 2018, Sri Lanka's turbulence can be observed from a completely different sphere. This time, this in the country's political leadership front. The Dipolmat website reviewed that late 2018 in Sri Lanka was very dramatic and uncertain with the crisis that lasted for almost two months after President Maithripala Sirisena dismissed Ranil Wickremesinghe as the prime minister October 26, 2018 before also attempting to dismiss Parliament itself.

Easter Sunday Terror attacks in Sri Lanka is one of the worst terror attacks seen in recent times outside a war zone that nine suicide bombers detonated their devices in six locations around the country on Easter Sunday last year. (BBC website)

While 2019 was a little quiet other than a Presidential election that saw a new President in Gotabaya Rajapaksa coming into power and a new government formed by him, the year 2020 proved to be another turbulent year. This time, it was the COVID 19 pandemic. On 12th March 2020, World Health Organization (WHO) announced that COVID 19 is a pandemic that has significant impact across the world. The World Trade Organization (WTO) website said in April 2020 that trade around the world is set to plunge as COVID-19 pandemic upends global economy. KPMG Report titled 'Impact of COVID 19 on Sri Lankan Economy' (2020 April) mentioned regarding the global outlook, International Monetary Foundation (IMF) has announced a global recession, one that is likely to be worse than the financial crisis of 2008.

V. GROWTH FACTORS FOR SRI LANKAN ICT / BPM INDUSTRY

S. Thelijjagoda and M. Jayaweera, 2010, "Challenges of Sri Lanka becoming an IT-BPO destination," by Sri Lanka Institute of Information Technology identifies challenges at macro level in developing Sri Lanka as an IT BPO destination. Following have been identified as challenges –

1. Cumbersome documentation work to startup a business
2. Lack of required labor force
3. Lack of adequate infrastructure
4. Unsafe and unreliable transportation at a high cost

In the case of Sri Lanka, De Silva et al. (2010) have recognized challenges such as listed below for the growth of the IT industry.

1. Branding and positioning are poor
2. Skilled migration and brain drain to foreign nations
3. Outdated policies and traditional regulatory framework and absence of flexible labour laws
4. anti-offshoring legislations introduced by the developed nations
5. Increasing competition from Eastern Europe, Philippines & Middle East.

The EDB Export Strategy (2018-2022) report discusses branding constraints. The report goes on to discuss challenges in export promotions. Targeted export promotion support focuses on few enterprises and markets due to limited resources. Insufficiently focused and coordinated promotion of Sri Lankan brands and enterprise support in trade promotion activities curtails the development of sustainable demand for Sri Lankan products.

De Silva et al. (2014), 'Strategies for the Development of Offshoring Industry in Sri Lanka' paper researched companies in this sector. Challenges identified are -

1. Branding and positioning are poor
2. Skilled migration and brain drain to foreign nations
3. Outdated policies and traditional regulatory framework and absence of flexible labour laws.
4. anti-offshoring legislations introduced by the developed nations
5. Increasing competition from Eastern Europe, Philippines & Middle East
6. Lack of awareness of the offshoring industry

The opportunities that De Silva et al. (2014) identified are -

1. Talented workforce willing to work at reasonable costs
2. High cultural and language adaptation
3. Joint ventures with Sri Lankan companies
4. Proximity to financial centres like India, Singapore, and Australia

De Silva et al. (2010) discusses the strategies to overcome the challenges must be identified (De Silva et al., 2010). For example, policies and actions should be in place to control brain drain. Higher education and training should be geared to help the offshoring industry. Some relief to reduce employee stress could be implemented to reduce labour turnover. Similarly, challenges associated with financial attractiveness and business environment need to be addressed. Sri Lanka can continue to build upon its stable economic and political platform and further improve its already highly educated labour force to quickly upgrade along the offshore services. In doing so, Sri Lanka could make significant progress in transforming the economy into a knowledge based one.

There has been research around growth factors in other countries as well.

Kim (2016) in his work titled 'Structural changes and growth factors of the ICT industry in Korea: 1995–2009' discusses these issues. This study performs an Input–Output Structural Decomposition Analysis on the ICT industry in Korea between 1995 and 2009 to examine its structural changes and growth factors.

According to the results of the structural change analysis, the ICT manufacturing field exhibited a deepening of the so-called jobless growth phenomenon. Although the output of the ICT manufacturing field grew dramatically, employment consistently decreased. In contrast, the ICT service field began to show a problem with reduced labor productivity. According to the results of the growth factor analysis, the ICT industry's growth was fueled by export expansion, followed by consumption expansion, technological change, inventory expansion and investment expansion. (Kim, 2016)

Aron & Singh (2005) discusses the important factors that decide the fate of offshoring strategies. The location is one of the most important factors according to this research. (Aron et al., 2005)

Software industry can be characterized as a highly global market, where high-technology SMEs try to rapidly acquire market leadership or major market shares in opening new market segments. These firms, cited as 'born global' or 'international new ventures', have a strong international focus, while they often lack sufficient network relationships, knowledge, resources or time needed for well-organized internationalization based on detailed data of the new, emerging global market opportunities. In this situation, the two macro-level variables to look for are the software market size and the geographical distance of the potential target country. Based on the results of this study, the managers strongly prefer countries with large software product market over countries with large GDP and high GDP per capita when choosing the first countries to enter. Operating first in a nearby country facilitates organizing critical customer support activities, such as requirement specification, installation, and after-sales support, in the target country. Conducting these important activities in a sales process of software products first in a nearby country is easier due to lower operational cost and environmental familiarity. When this has been done once, the same operation model can be cost-efficiently copied and complemented in other countries. (Ojala et al., 2007)

Carmel Erran and Tjia Paul (2005) discussed that the decision to source software development to an overseas firm (offshoring) is looked at frequently in simple economic terms - it's cheaper, and skilled labor is easier to find. In practice, however, offshoring is fraught with difficulties. As well as the considerable challenge of controlling projects at a distance, there are differences in culture, language, business methods, politics, and many other issues to contend with. Nevertheless, as many firms have discovered, the benefits of getting it right are too great to ignore. (Erran et al., 2005)

Deloitte's 2018 Global Outsourcing Survey is another questionnaire based research of outsourcing related executives to understand the current status, trends and challenges of outsourcing industry. Its key findings are:

1. Outsourcing is enabling competitive advantage.
2. Organizations are embracing disruptive solutions such as cloud and robotic process automation (RPA)
3. There are real challenges with adopting disruptive solutions.

According to a PWC report that was commissioned by SLASSCOM in 2019, Sri Lanka presents a strong business opportunity. It says that, "Sri Lanka's strategic location provides geopolitical benefits, acts as a global logistics hub, and allows businesses to work with clients in several different time zones. The government has taken steps to attract FDIs and make the private sector the main engine of economic growth.

De Silva et al. (2010) have recognized the increasing competition from Eastern Europe, Philippines & Middle East as challenge for Sri Lanka. This puts light on the need for strong global sales and marketing.

VI. GROWTH FACTORS FOR IT RELATED INDUSTRIES

There are six factors that are important to be considered when offshoring IT/BPO work, they are costs, availability of skills, environment, the quality of infrastructure, risk profile and market potential (Farrell, 2006).

There is a list of the factors that drive outsourcing for companies (Lewin et al., 2006). Lewin & Peeters asked several respondents which factors drove their outsourcing decision by letting them assign points to these drivers on a five point Likert scale. They marked a factor as important when a respondent gave a driver a four of a five. It was estimated that for 93% of the respondents, taking out costs was one of the important drivers when making outsourcing decisions. 55% of the respondents, argued that accessing qualified personnel was an important factor for them. For these respondents it seems that the factor availability of skills is an important factor. 33% of the respondents stated that the access to new markets was important when making outsourcing decisions, for these respondents the market potential of an outsourcing location is an important factor as well. The other three factors, which are environment, quality of infrastructure and risk profile, do not seem to drive outsourcing location decisions. (Lewin et al., 2006)

When deciding on offshore ITO service providers for strategic alliances, the Analytic Hierarchy Process (AHP) based selection system, gives a way for the clients to evaluate their prospective offshore ITO providers. It can be understood more as a firm level decision maker, rather than a country-level decision maker. The model has business support, business operations and business credibility as the highest level factors. Then

under each one, one or two levels of detailed factors are to be considered for provider (firm) evaluation. (Mukherjee et al., 2015).

Graf et al. (2005) research has proposed the below conceptual model for the location decision for the Business Process Outsourcing (BPO) offshoring location selection. (Graf et al., 2005)

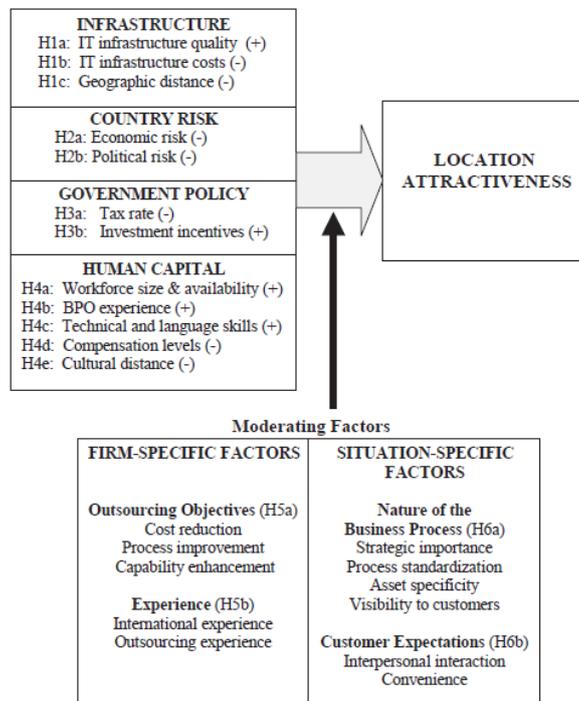


Figure 1: Conceptual model for the location decision for the BPO location selection

Oshri et al. (2009) discusses that while attracting business is of high importance to offshoring destinations, selecting the location is one of the major challenges that client organizations face when making offshoring and outsourcing decisions. (Oshri et al., 2009)

Ross (2016) titled ‘Australian SME Micro-offshoring Opportunities in the Philippines: An Expanding Niche Market?’, is an important paper that examines how Filipino BPOs are providing ‘micro-offshoring’ services that are encouraging Australian small and medium size enterprises (SMEs) to offshore former in-house professional work to the Philippines. An increasing number of smaller Filipino-based BPO centres are addressing these SME challenges through the operation of what can be described as micro-offshoring models. Operating under the guise of ‘staff leasing arrangements’, ‘co-managed services’ or ‘co-managed operations’ these services include:

1. The sourcing, vetting and employing of local professional workers on behalf of their Australian-based clients;
2. Provision of desk space and internet facilities for the Filipino-based workers (generally in a shared open office environment); and
3. Provision of ongoing follow up client support

This research findings suggest that micro-offshoring services are supporting a paradigm shift in the ability of Australian SMEs to engage in offshoring activities.

Verdonk (2009) discusses how outsourcing decisions are complex, and vital for the success of outsourcing strategy. One of the important decisions that have to be made for outsourcing is the location decision. It is important that the chosen location provides the outsourcing company with the benefits it wants to obtain. The conclusion is drawn that all of the factors are important when choosing a location. However, some of the factors that influence location decisions can be seen as qualifiers, while other factors can be perceived as winners. The environment, the quality of infrastructure and the risk profile seem to be factors that need to reach a minimum amount of quality before a location is considered as a potential outsourcing location by companies. The other factors, availability of skills and the market potential, and costs seem to be factors that drive the location decisions when comparing the potential outsourcing locations. With cost as the most influential factor in most of the decisions. (Verdonk, 2009)

In regard to the drivers behind the outsourcing decision on clients, research has shown that the primary driver is to reduce overall costs (at least 10% to 15%), in addition to other business benefits, including improvements to their quality of services, business process and access to new markets (Lacity & Willcocks, 2012). Industry reports seem to be in agreement, as they also cite cost reduction, greater scalability of operations and process standardization as main drivers (KPMG, 2013). It also reported that only 56% to 63% of outsourcing practices are considered successful or positive by clients (Lacity & Willcocks, 2012) and that firms see Hybrid Outsourcing & Shared Services as critical for their future operating model (KPMG, 2013) (Aleman, 2014)

VII. THE ROLE OF COUNTRY BRAND FOR ICT / BPM

Island of Ingenuity is a collective of the ICT / BPM industry in Sri Lanka, whose ethos is to provide inventive solutions through proactive and flexible customer engagement. It is endorsed by the Sri Lanka Export Development Board, Sri Lanka Board of Investment, Sri Lanka Association of Software and Service Companies, Information & Communication Technology Agency of Sri Lanka, Federation of Information Technology of Sri Lanka and Sri Lanka Electronic Manufacturers and Exporters Association. Given below is the logo for 'Island of Ingenuity brand'.



Figure 2 : Logo for 'Island of Ingenuity' Brand

Keller (2009) defines a brand as a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of seller or group of sellers and to differentiate them from those of competition.

The said ADB report speaks of specifics of the branding issue as well. It states that a key problem that the sector however faces is that; it still lacks the kind of instantly-recognizable “brand” that other countries and sectors have created – this requires agreement on a single logo or tag-line, as well as a consistent series of supporting case-studies and marketing collateral, a set of standards which motivate all stakeholders to live up to the brand-promise, and a coordinated campaign to maximize visibility of the new brand among target customers (through media coverage, trade missions, meetings etc.).

This distinctive capacity for solving complex problems and serving smaller clients should be at the core of brand. The core brand needs to emphasize Sri Lanka as a source of creative solutions and problem-solving skills across ICT / BPM, not just as a location for delivery of “IT-BPM” services. The strengths of the Sri Lankan ICT/BPM industry are its “People”, the “Products” it offers and its location - “Place”. (ADB, 2017)

In this context it is worth reviewing literature about brands of other countries for this purpose.

The ADB report draws successful examples such as Korea and Egypt where such successful ICT / BPM industry country branding have been carried out. It says that Korea has followed a very deliberate strategy since 2005 to transform itself from a manufacturing powerhouse to a creative powerhouse.

It elaborates that in 2016, the slogan “Creative Korea” was officially adopted as the logo for all international promotion activities – not just for the creative industries, but also for tourism promotion, export promotion, etc. (ADB, 2017)

In the case of Brazil, in 2004, industry leaders, with significant support from the government, established BRASSCOM (modeled after NASSCOM in India). In 2005, a competitive benchmarking was undertaken and an international growth strategy for the sector was developed. The strategy clearly identified US and EU financial institutions as the core target markets for the Brazilian IT sector, and Brazil’s time zone proximity and sophisticated IT solutions for financial services as the core differentiators. BRASSCOM then launched a series of roadshows to US and EU cities to promote these capabilities, under the slogan “Intelligent

Nearshore Outsourcing”. In 2009, the industry selected “Brazil IT+ Value Beyond Expectations” as the overarching brand for international promotion of the sector. (ADB, 2017)

In Dubai, Dubai Internet City (later expanded to include Dubai Media City and Dubai Knowledge Park) was created in 2000 as a dedicated economic zone to drive development of the IT, BPO and ICT / BPM sectors. Over the last 15 years, DIC and related entities have spent millions of dollars positioning Dubai as the preferred location for high-end IT centres serving regional emerging markets (with a particular emphasis on Dubai’s superior infrastructure, stability and security, compared to other lower cost locations in the region).

In Malaysia, as early as 1996, the government created the Multimedia Development Corporation (now called the Malaysia Digital Economy Corporation) and the Multimedia Super Corridor to develop, coordinate, and promote Malaysia’s digital economy and information and communications technology (ICT) industry. MDEC and MSC have successfully attracted more than 3,800 companies from more than 40 countries to establish operations, employing more than 150,000 high-income knowledge workers. (ADB, 2017)

VIII. CONCLUSION

The literature research is useful in understanding the definition and scope of the ICT/BPM industry. It also reveals where Sri Lanka stands compared to other countries, and also how similar industries of other countries are performing. It also helps in establishing the important factors that may be limiting the growth of ICT/BPM industry in Sri Lanka, and thereby the same factors if handled well become the growth factors for the ICT/BPM industry. In arriving at this conclusion, a special consideration has been given to literature related to Sri Lankan outsourcing industry, while weighing in from an international research literature perspective. These factors are Skill availability, Brand strength of the country, Quality of services of providers and of the country in general, Start-up and new product/service scalability, Global Sales and Marketing, Stability of the country and Ease of doing business.

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