



DYNAMISM
38th National Conference of
Chartered Accountants
AGILITY IN LEADERSHIP

Deliberations of the 38th National Conference

Institute of Chartered Accountants of Sri Lanka

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This booklet contains the views presented by the presenters in their individual capacity at the CA Sri Lanka National Conference, and should not be taken to reflect the views of CA Sri Lanka.

Executive Summary

The 38th Annual Conference of the Institute of Chartered Accountants of Sri Lanka was themed Dynamisms: Agility in Leadership which was attended by over 2000 participants mainly comprising members. Its members play a key role in the financial stability of the country at corporate and SME levels. Actions recommended for the Government, the Institute of Chartered Accountants, Corporates and members is summarized below and signposted to the relevant session briefs.

| Government | CA Sri Lanka | Corporate | Chartered Accountants |
|--|--|--|---|
| The country has a need for leaders who are agile and dynamic to realise its potential <i>(Page 3)</i> | Support policy reform <i>(Page 5)</i> | Build agile organisations to succeed in 21st Century <i>(Page 8)</i> | Develop a 21st Century Mindset avoiding the Traps <i>(Page 7)</i> |
| A country framework to encourage participation of women in driving the economy forward <i>(Page 14)</i> | Provide support for NOCLAR through training, helplines etc <i>(Page 22)</i> | Nurture passionate employees by adapting to the needs and expectations of employees <i>(Page 4)</i> | Move from a reactive and logical mindset to mindful mindset and from survival and control to agility <i>(Page 8)</i> |
| Legal provisions for whistleblower protection <i>(Page 22)</i> | Review student recruitment policies in readiness for skill levels required <i>(Page 22)</i> | improve working conditions for women at work places <i>(Page 14)</i> | Acquire skills to navigate changes in profession and succeed <i>(Page 22)</i> |
| Gear country to face changes that will arise from disruptive technologies upholding the rights of citizens <i>(Page 26)</i> | Capacity building in transitioning to AI technologies <i>(Page 26)</i> | Women present an untapped potential market as an underserved segment <i>(Page 15)</i> | |
| | | Engage in long range planning for growth, going global and delivering value. <i>(Page 22)</i> | |

1 Introduction

The annual conference of the Institute of Chartered Accountants is now in its 38th year and attracts a over 2000 participants of which xx are connected via live streaming of the video engaging members not only in Sri Lanka but its diaspora as well. Interest in the conference reflects the relevance of the topics discussed and the value of ideas presented by carefully selected thought leaders of global repute complemented by practical views of panelists drawn from the country’s business leaders. This policy paper seeks to capture the ideas presented, their potential to impact our socioeconomic progress together with the recommendations in an action plan for CA Sri Lanka and recommendations for the corporate sector and policy makers.

The theme, Dynamism – Agility in Leadership was selected to highlight the need for visionary action to enhance Sri Lanka’s competitiveness in a fast-paced global market, setting the tone and context for the conference. Conference technical sessions focused on providing insights in to the mindsets required to move rapidly move from an industrial age to the 21st century.

Sri Lanka has the potential to become a leader in the emergence of South Asia and the country has a need for leaders who are agile and dynamic. Each one must take collective responsibility for progress and encourage agility at all levels and across public and private sectors. Agility is necessary to deal with the external environment that is rapidly changing.

It is also our responsibility to ensure that all stakeholders are included in the country’s progress. Consequently, we need to debate on how SME s will survive in an increasing regulatory environment and also take necessary steps to safeguard corporates and members in a rapidly changing world.

The Conference

38th National Conference

Largest conference in country

Over 2,000 participants

- *Live audience xxx*
- *Live Streaming xxx*

Covers members in Sri Lanka and its diaspora

The Theme

Dynamism – Agility in Leadership

Highlights the need for visionary action to enhance Sri Lanka’s competitiveness in a fast-paced global market

Technical sessions focused on providing insights in to the mindsets required to move rapidly move from an industrial age to the 21st century

2 Dynamism - Agility In Leadership

Chartered accountants play a key role in supporting the financial stability of the country at a corporate level. The theme of the conference is apt as they need to be agile in taking the country forward.

In today's dynamic world, Agility is the ability to take effective action, in a timely manner. The global economy is characterized by constant change and speedy technological changes. To survive and succeed, organizations must continuously adapt and adapt quickly, without losing momentum or vision. Adaptability, flexibility and balance are three qualities essential to long-term business agility.

Agile organizations adopt an intentional and proactive approach to change, examining situations from multiple perspectives and connecting the dots to generate novel strategic insights. As such, Agility can spur disruptive ideas. Today, technologically based small startups with new disruptive models, have been displacing large market leaders out of business. Such examples include Uber, Airbnb, Alibaba, Facebook, WhatsApp/WeChat/Skype, SocietyOne, Netflix and AppStore.

Organizations must keep abreast and adapt to the disruptive innovations in their industries, else become irrelevant and fail, as in the cases of Nokia, Kodak and Blackberry. Netflix survived due to their agility - the company has reinvented itself 3 times over, within its short history. Time is a challenge, but above all, an opportunity. Netflix was agile enough to change itself and take advantage of this opportunity.

Agile companies are characterized by a revolutionary vision and a clear strategy; a thrilling mission driven by passionate, self-motivated people; an efficient, lean company structure; a learning organization culture with action and design spaces; and a saleable and scalable product. Successes is not bound to company size but to inner attitude – passion, courage and innovative ability.

Passion is the driving force and vitality of a modern and innovative company. Passion in conjunction with leadership-oriented corporate values such as risk-taking and goal-orientation create a strong corporate culture that is key to an organization's success. These organizations nurture passionate employees by adapting themselves to the needs and expectations of employees, through transparent goals, work life balance, continuous development and diversity in teams.

Successful organizations foster an environment to stimulate innovative thinking. They recruit young, creative minds and generate new ideas that ensures the business continues to remain relevant and transformed into a new age business.

Keynote Speaker



Dr. Binod K. Chaudhary
Chairman, CG Global Corp

Key Messages

Chartered accountants play a key role in supporting the financial stability of the country at a corporate level

Adaptability, flexibility and balance are three qualities essential to long-term business agility

Agility can spur disruptive ideas displacing large market leaders. Eg: Uber, Airbnb, Alibaba

Successes is not bound to company size but to inner attitude – passion, courage and innovative ability.

- *Be Passionate*
- *Be bold*
- *Be innovative*
- *Be agile*

Dr. Chaudhary shared his thoughts on being an agile leader:

- **Be Passionate** - nothing can stop you if you are committed to excel.
Inspired by the volumes of noodles being carried back by wealthy Nepalese returning from visits to Bangkok, 35 years ago, Dr. Chaudhary sought to set up a noodle manufacturing plant in Nepal. However, the Thai manufacturer he approached, refused to collaborate, citing feasibility concerns. Undeterred, he set up his own plant. Today, CG's Wai Wai noodles is produced in over a dozen plants in India and Nepal and sells 2.2 billion packets worldwide, accounting for 2.2 % of the global noodle market.
- **Be bold.** Venture out of comfort zones. Take risk. Not taking any risk is the biggest risk!
The CG group invested in the Taj Samudra Hotel, Colombo when Sri Lanka was in the midst of a war and shortly after the country's international airport was bombed, which event further impacted the Sri Lankan economy and tourism industry. Today, CG is one of Taj Group's largest partners, worldwide.
- **Be innovative.** Entrepreneurial. Follow your dream. Change the world.
On a trip to Japan in respect of his textile business, Dr. Chaudhary, was inspired to introduce Suzuki cars to Nepal. This was during a period of time, prior to the manufacture of Maruti in India. Following the successful import of Suzuki, CG commenced the import of electronic goods from Panasonic, Japan.
- **Be agile in your personal life** not only in your business. Find happiness for your inner self, every day, every moment. Pause every now and then and ask yourself how much have you contributed toward making the world better. Be open to yourself, listen and adapt to your own physical, psychological, and spiritual needs.

3 Perspectives on Agile Leadership

An agile leader will have passion, courage to take decisions and be innovative and disruptive. You cannot be agile unless you are innovative as the pace of disruption is accelerating exponentially. Agile leadership is more than a management strategy, it is a mindset. Characteristics of agile leaders include being open to ideas, continuously giving and receiving feedback, effectively lead cross functional teams aligned to objectives and ability to execute effectively.

Modern society needs governments to be agile as the challenges faced by society are accelerating exponentially and we need to change course. Challenges shaping the world include climate change, cross border movement of people and accelerating pace of technological advancement. Consequently, government needs to be agile with agile leaders and agile structures. The government's vision requires leaders to be agile. At team levels, teams must welcome digitization and fix broken processes. Sri Lanka's opportunities lie in our position the government must also be disruptive to deliver change.

China and India are key players in world trade and we need to be agile with both, delivering Free Trade Agreements and collaborative projects that deliver change. We also need to engage with the international community and convince them that we respect human rights and have strengthened democracy in the country and have established peace with new amendments.

There are areas of policy reform where the Institute of Chartered Accountants of Sri Lanka can provide support:

- Women empowerment is a key area where the government is trying to create an enabling environment which requires addressing numerous issues such as amending labour laws to allow flexi hours, facilitating access to affordable day care, safe travel for women, access to finance for women.
- Moving money from bricks to microscopes, capacity building, bringing in SME partnership and ensuring there is more money for education
- Tax reform to make our tax systems simpler and efficient

At an individual level, it is inevitable that the job of the accountants will change, and agility is critical to evolving to align with a changing world.

Chief Guest



Dr. Harsha De Silva
Deputy Minister of Policy
Planning and Economic
Development

Key Messages

Agile leaders are open to ideas, continuously give and receive feedback, and effectively lead cross functional teams aligned to objectives

Modern society needs governments to be agile as we need to change course

Government needs to deliver FTAs and collaborative projects that can deliver change with economic superpowers and strengthen democracy and peace in the country.

CASL can support policy reform in the following areas:

- *Women empowerment*
- *Move money from bricks to microscopes*
- *Investing in capacity building & education*
- *Foster SME partnerships*
- *Tax reform*

4 Agility – the Differentiator

4.1 Concept

Agility is a challenge at organization and societal level as thinking is lagging behind the evolution of technology. Unless humans can evolve, we will have massive challenges and therefore, human kind is poised for its next evolution. Commercialisation of the internet in 1995 and the combination of increased processing speeds and declining costs of chips and storage capacity changed the world. More than half the global workforce is less than 30 and they take information for granted. These changes made mass collaboration a possibility and democratized knowledge which has its own pros and cons.

The biggest obstacle to agility in an accelerating 21st century is the way we have learned to think and solve problems in the 20th century, an industrial age mindset which is no longer relevant to the challenges of the 21st century. We need a new mindset to tackle the global issues climate change, water and food, health, ageing population etc.



4.2 The Challenges

One of the biggest fallacies of the industrial age was that the assumption that the world is linear and that it could be managed as a machine. Complex systems are multi-dimensional, have multiple stakeholders, causes, solutions, systems and are constantly evolving.

There are a number of traps that keep us in the Industrial Age (20th century) mindset.

- The Organisation Trap - Organizations are simply not equipped to deal with the new reality. We built them on the assumption of a linear world with departments, functions, hierarchies and

Presenter:



Prof. Sudhanshu Palsule

Award-Winning Educator,
CEO, Advisor and
Leadership Coach

Session in Brief

People think and solve problems in an industrial age mindset which is no longer relevant

People think and solve problems in an industrial age mindset which is no longer relevant

New mindset needed to handle global problems

Traps include:

- The organisation trap
- The Power Trap
- The Cognitive Trap
- Systems Blindness
- The Technology Trap

We need to build agile organisations alongside the old

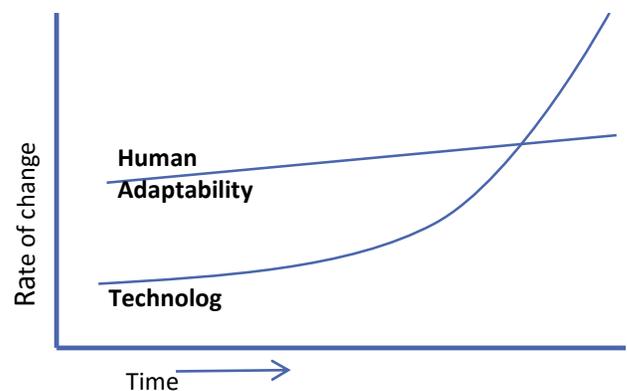
Agile organisations:

- Embrace the VUCA world
- Reduce the distance between customers and decision makers
- Pick up weak signals
- Focus on purpose and competencies
- Experiment
- Redesign & Rebuild

reporting lines. Now we demand agility, adaptability, and innovation from our employees, but we still reward them for status, obedience, and conformity.

- The Power trap – 20th-century hierarchical organizations replicated social status achieved through the control of information and resources, engaging reward mechanisms in our brains to derive power from status. However, recent research in neurology demonstrates that those who ‘feel powerful’ through social status have a lower ability to feel empathy. We need to build new organisations that change the definition of power.
- The Cognitive Trap - Our brains are not adapted for complexity and release hormones that deal with stress. Nature has not prepared us for deciphering the weak signals of complex problems and our brains lack the neural wiring to understand them. Ambiguity appears as a threat, triggering an instant reaction, which is inherently biased. Hence we would rather defend an established belief or strategy and ignore evidence to the contrary, than ask if we are doing the right thing. We have to train ourselves differently.
- Systems Blindness – Humans go closer to the problems when we get stressed creating a disconnect between reality and systems. We need to step away from the problems and look at the bigger picture, why we do what we do.
- The Technology Trap – There is a fundamental disconnect between technology and human adaptability as the pace of technological advancement outpaces human adaptability as depicted in Figure 5-1. Information is revitalizing every 11 months. Consequently, there is a lot of noise but we need to identify the signals.

Figure 4-1



4.3 The Way Forward

We need to build “Agile Organisations” alongside the old ones to succeed in the 21st Century as the old organisations will be outdated within 20 years. Sri Lanka SL is new in the game and we have an opportunity to build agile organisations as we are coming out of conflict.

To be agile at organization level, we need to do the following:

- Plan for 2 years and allow for emergencies. We live in a world where volatility, Uncertainty, Complexity and Ambiguity (VUCA) are a reality.
- Reduce the distance between customer contact point and decision makers. This will heighten our ability to sense and respond.
- Pick up the weak signals. Be mindful, step back and observe the patterns, see the big picture. Listen to what is going on and pick up on the weak signals. If we listen to them, we can find solutions. We have to change the way we think.
- Focus on purpose and competencies
- Experiment, experiment and experiment!
- Re-design and rebuild



Efficiency

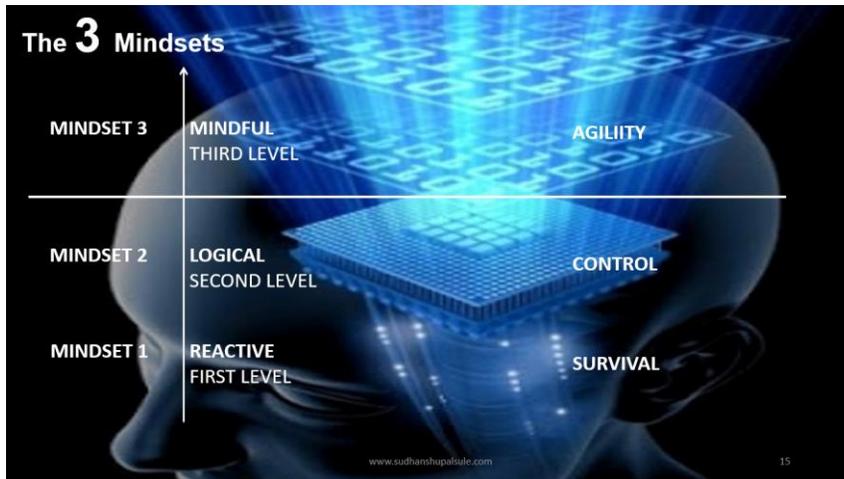
- Linear Structure
- Built for stability
- Rigid boundaries
- Defend against change
- Focus on vertical hierarchy
- Communication is top-down for control and order
- Incentivize efficiency



Agility

- Complex System
- Built for adaptability and resilience
- Porous boundaries
- Invite change in
- Focus on collaboration
- Communication is social for scale and impact
- Incentivize learning & unlearning

At a personal level, we need to move from a reactive and logical mindset to mindful mindset and move from survival and control to agility. Let go of bumper sticker thinking and develop counter intuitive thinking. Be authentic and humble. Life is agile.



5 Engage, Accelerate, Outshine

Unprecedented exponential change driven by the hard trends of technology, demographics and globalization has created a 'perfect storm' of forces leading to big waves of potential disruption for all industries. The accounting profession is also facing a massive "shift change" as a new generation begins to take the reins from the retiring baby boomers. Major shifts in leadership, learning, technology, generations, and the workplace are underway as a younger generation with a skill set more suited to a technology driven era join the work force. In this cloud of uncertainty and disruption lies tremendous opportunity for those who can see a little further and begin to take steps to transform their businesses and practices.

"We stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. In its scale, scope, and complexity, the transformation will be unlike anything humankind has experienced before."

Klaus Schwab on The Fourth Industrial Revolution – World Economic Forum

The No. 1 reason leaders and organizations fail is that they are too busy to read the signals. While there are trends that are predictable, there are disruptions that cannot be predicted. Examples of these include the failure of Nokia who refused Steve Job's offer to provide software for Nokia and ToyRUs who outsourced retailing to Amazon which became the reason for their failure. Technology is creating a new wave of disruptions as Artificial Intelligence changes how we work. Examples of these include ROSS an IBM Watson based artificial Intelligence robot that will work as an attorney in the bankruptcy practice of a global law firm and KPMG recent agreement with IBM to apply IBM Watsons cognitive computing technology to KPMG's professional services offerings. These changes will drive down headcount at entry level while increasing the need for higher level critical thinking.

5.1 The Shift Change

The shift change that is happening is captured in Figure 5.1 below depicting both the incumbent path and the emergent path for business transformation.

Figure 5-1

Presenter:



Tom Hood, CPA, CITP, CGMA

Chief Executive Officer
Business Learning Institute
and Maryland Association
of CPAs

Session in Brief

Major shifts in leadership, learning, technology & AI, generations, and the workplace are underway as a younger generation with a skill set more suited to a technology driven era join the work force.

These changes will drive down headcount at entry level while increasing the need for higher level critical thinking.

Fig 5-1 gives the emergent path for business transformation

Leaders must focus on::

- *Leading networks*
- *Initiating transformation*
- *Embracing technology*
- *Protecting core purpose and values of organisation*
- *Elevate competencies of their teams*

Consider risk of not investing



5.2 The Way Forward

Leaders in the new normal will need to focus on the following

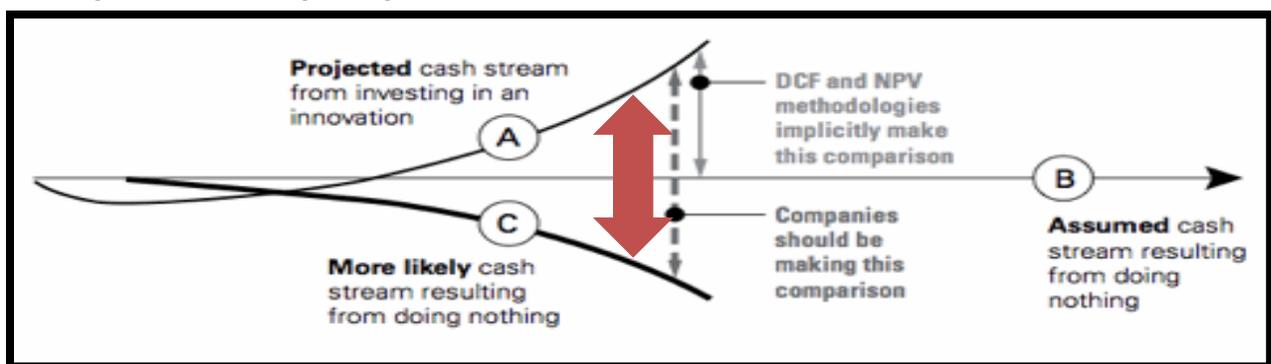
- Learn to lead well managed networks rather than well managed organisations
- Initiate transformation driving exponential change
- Embrace digital technology to deliver enhance customer experience and efficiency, improve business decision making and innovation and transform the business.
- Discover and protect the core purpose and values of the organisation
- Elevate the skills of their teams to competencies required in the 21st Century

Leaders must also consider the Risk of Not Investing (RONI) in a more realistic manner as the gap between not investing and investing in innovation is growing faster.

Future Ready Competencies

- Communications
- Leadership
- Critical thinking and problem solving
- Anticipating and serving evolving needs
- Synthesizing intelligence to insight
- Integration and collaboration

- Tech-Savvy and data analytics
- Functional and domain expertise



Organisations gave people a sense of power and we need new definition of power is also necessary as research has shown that powerful people have less empathy. Challenges for leaders will be to use power wisely and use power for influencing while remaining authentic and transparent.

Accountants need to enhance their skills and relevance to new businesses in order to thrive in the digital age. The Sleeter Group Survey in 2014 identified the main reason Small & Medium Businesses leave their CPA firm to be that they give reactive services and not proactive services. Additionally, the CPA.COM Insight into the CPA of the Future Study 2015 estimated that 92% of CPAs were not Future Ready¹.

As professionals, we need to embrace digital technology and acquire the competencies required to thrive in the age of machines. We also need to change what we learn and how we learn, embracing e-learning and nano-learning². Migrate to jobs that require knowledge and wisdom adding value through insights, influence and impact from jobs that perceive value to be about data capture, reporting and analytics. Your future view is the future you.

¹ The capacity to be anticipatory (aware, predictive and adaptive) of emerging technology and trends in business, demographics, and the social environment impacting your organization and industry.

² Nano learning is the packaging of Five to 15 minutes long. Highly targeted; covers a single objective. Self-contained; offers small nuggets of information. Responsive; can be viewed on a range of devices.

6 Talent Strategy With Leadership Diversity

6.1 A Development Challenge and An Opportunity

Gender representation in the private sector poses a development challenge. Research shows that only 5%³ or fewer of the CEOs of the world's largest corporations are women and they spend more time on unpaid work than men⁴. It is also estimated that 1.1 bn⁵ women do not have access to bank accounts. The World Economic Forum estimates that, at the current rate, it will take 170 years to eradicate the disparity in pay and employment opportunities for women. The case for inclusive policies is compelling as globally, companies with at least one woman on their boards have found corporate performance on average to be 4% higher and that diversity enhances the quality of decision making. The IFC Jobs Study in 2013 also found that Employing women in nontraditional jobs could increase firms' productivity by 13%–25%. As 60% of university graduates globally are women (UN Women) it also presents a significant opportunity. In the US, women start business at a higher rate than men and are estimated to create around 50% of new small business jobs by 2018. Women owned SMEs offer a \$285 bn in lending opportunities for women according to an IFC Study in 2011.

Sri Lanka ranks 100 out of 144 countries in the World Economic Forum Global Gender Gap Index for 2016. Within South Asia, Sri Lanka's female participation rate is only higher than Afghanistan, India and Pakistan while the rates for Bangladesh, Bhutan, Maldives and Nepal exceed that of Sri Lanka. Women's participation in the labour force is 35.3% which is half the participation rate of 75.9% for men although women account for 52% of the population. Only 6.1% of listed company board directors are women despite the fact that the proportion of girls exceed the proportion of boys in secondary and tertiary education. Sri Lankan women are highly entrepreneurial accounting for 1/4th of all micro, small and medium sized businesses in the country. Interestingly, in South Asia, 42% of women prefer to stay at home in comparison to 37% of men indicating that they would prefer their wives to stay at home and look after the family. The same indicators for the World are 29% and 27% respectively while the indicators for Northern, Southern and Western Europe are 12% and 13%. Sri Lanka's incentives to accelerate its agenda for women is significant. Raising Sri Lanka's female participation in the labour force by 15% will add 1 mn to the country's work force. As only 17% of women SMSBs have access to banking facilities, they present an untapped potential market for commercial banks. Understanding company's supplier diversity policies and opportunities to target and build capacity of women in the value

³ ILO

⁴ OECD

⁵ FINDEX

Presenter:



Carmen Niethammer

Program Manager of the Women in Work Program in Sri Lanka, IFC's largest country-based gender program

Session in Brief

Gender representation in the private sector poses a development challenge

Sri Lanka ranks 100 out of 144 countries in the World Economic Forum Global Gender Gap Index for 2016.

Women present an untapped potential market for commercial banks and insurance companies as an underserved segment

Proposals for change:

- *A country framework for women participation in economy*
- *Consider tax concessions and quotas*
- *Improve work life balance*
- *Employer supported childcare*
- *recognize that diversity and inclusion are two different propositions that require separate policies and initiatives*

chain. Women leaders can become the country's engine of growth and enhance company's efficiency, productivity and innovation.

6.2 Proposals for Change

The country needs a framework to encourage participation of women in driving the economy forward. As employers feel that it is relatively costly for an organization to hire women because of maternity leave, government policies could consider tax concessions to encourage women in work force. Quotas for women on Boards is a tool which may be used with careful consideration of pros and cons.

At corporate level, it is important to improve working conditions for women at work places and organisations around the world are implementing initiatives to facilitate economic participation of women. Organisations that have implemented initiatives report significant improvements in measures of productivity and improved employee relations.

The business case for employer supported child care is compelling. It strengthens human capital and enhances the entity's reputation and access to higher value customer markets while improving innovation and productivity. A range of potential solutions have been implemented by various organisations with successful outcomes as listed below:

- On-site daycare center or crèche
- Purchase childcare spaces externally/cooperating with other businesses
- Financial assistance to help the employee pay for childcare
- Provide back-up care/care during school holidays
- Community/civil society/private sector/public sector partnerships
- Provide referrals and information/facilitate access to tax benefits
- Allow flex work/paid leave/rearrange working time to allow employees to provide childcare
- Engage with other employers to improve public provision of childcare

Employers must also recognize that diversity and inclusion are two different propositions that require separate policies and initiatives. Dialogue needs to change from terms such as maternity leave to parental leave to highlight the shared responsibility of families. Workplace practices must also change to enable employees to reap the benefits of digitization, enhancing productivity and a better work life balance.

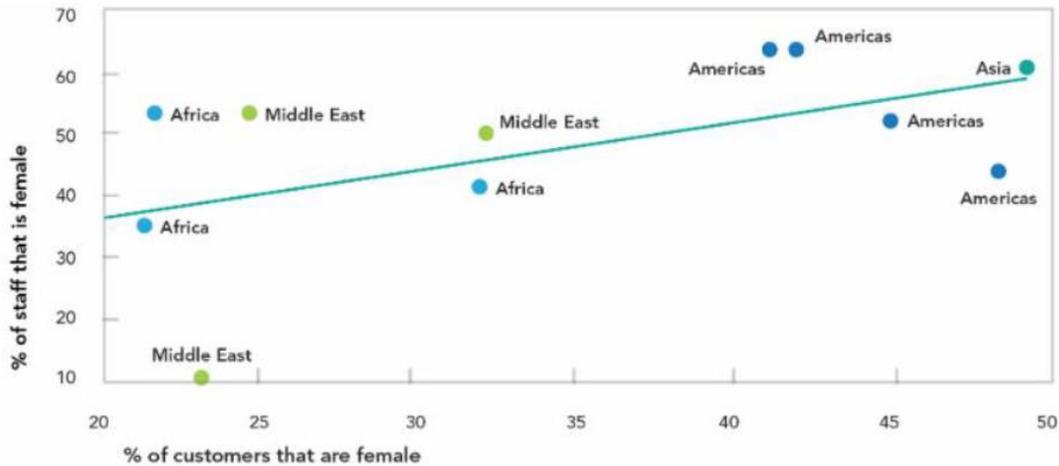
Private sector initiatives for Gender Parity

- Mindtree—IT company offers menu of childcare solutions for their employees (India)
- Boyner, a retail chain committed to sourcing more from women-owned enterprises (Turkey)
- Barclays launched Women in Leadership Total Return Index (London)
- Ooredoo committed to include 30,000 women in its mobile technology value chain (Myanmar)
- AXA insurance includes women as a key segment of its new growth strategy (France and 54 markets)

Return on Investing in Women

- NaltTextile, Vietnam (85% female staff): health and childcare facilities contributed to 10% reduced staff turnover, 50% reduction in absenteeism, no strikes for 8 years.
- MAS KREEDA, Jordan: Absences due to sick leave fell by 9% in the first nine months after a workplace crèche was opened and the cost centre became a profit centre
- Levi Strauss supplier factory experienced a drop in absenteeism from 19% to 10.7% over 12 months and a \$4:\$1 return on investment after investments in women's health

Commercial banks have a key role in women empowerment as they are employers, providers of capital to women and as up to 85% of family financial decisions are made by women. GBA's research reveals a strong correlation between member institutions' share of employees who are women and the share of their customer base that is female as depicted below in Figure 6.3 providing direct linkage to the family wallet.



SOURCE: Global Banking Alliance for Women (GBA) Women's Market Data Survey, 2017

Women have a higher propensity to save both as business & personal customers and deposits from female customers typically grow at higher rate and stay with the bank longer which will help banks improve their current and savings accounts (CASA) ratios. Female customers have lower risk tolerance as both business and personal customers enhancing the risk profiles as women-led business outperform those led by men and default rates are better than male counterparts in some markets. Banks need to invest in Gender Intelligence training for their frontlines and senior management to seize the opportunities this vital market segment offers.

It is encouraging to note the policies being implemented by Hatton National Bank PLC in this regard with high levels of women representation at Board, Corporate Management and Senior Management levels with succession plans in place to facilitate gender parity. HNB Grameen's business model is centred around the opportunity to lend to women who account for over 90% of the lending portfolio. As an employer, HNB is also introducing flexible working hours, experimenting with working from home for top management with plans to gradually increase the categories it is applicable to as senior officials buy in to the concepts and understand its benefits. Digital transformation of the Bank has provided a sound platform for these initiatives. Provision of meals HNB is also looking at deepening the programme to achieve its objective of Happy People.

The Insurance industry also offers a similar opportunity as Insurance payouts received by women dropped by 34% (2006 and 2009). Sri Lanka's total premium to GDP ratio stood at just 1% (2015). Better understanding of women's needs, review of key communication tools and development of women-centric markets could enhance penetration of this sector, improving the social security of the country.

Women need to raise their hands, be counted and engage in discussion about the changes required in the workplace, taking more responsibility over their career progression.

7 Around the Profession in 60 minutes

The business community and society in general is expecting greater accountability from the accountants of today than being a neutral observer of the business. The challenge for the Accountant of today is therefore to gain an understanding of all the developments happening around him/her, so that he/she can give a better account of the key metrics which determine corporate performance, while retaining mastery of the core skills that he/she has spent a life time learning. This needs to extend beyond counting the countable to counting what matters. They must aim to provide not simply an accurate record of the financial transactions pertaining to the firm, but more importantly a revealing explanation of the determinants of those transactions which will inevitably contain truth of claims and conjecture, as well as hard data. Our profession is evolving rapidly to meet the challenges of a VUCA world and below are some key changes that accounting professionals need to be aware of.

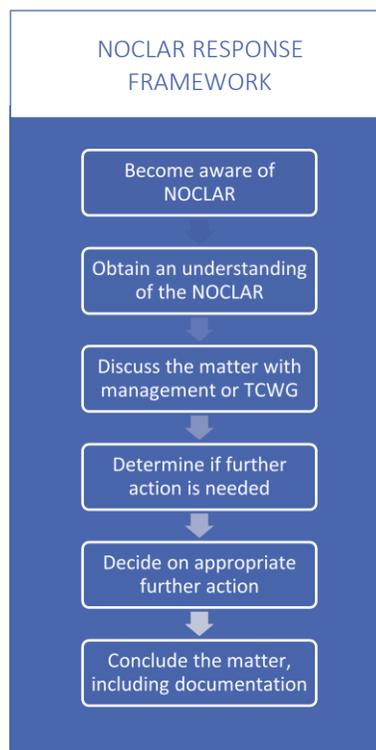
“What a company chooses to measure and how it chooses to define success, conveys its true identity more accurately than any other corporate process. It is in effect the firm’s fingerprint!”

“Accountants have a particular responsibility for determining what gets measured – and why. That is their strategic remit!”

Jules Goddard

7.1 NOCLAR (Non-Compliance with Laws And Regulations)

International Ethics Standard Board for Accountants (IESBA) updated the Code of Ethics for Professional Accountants to include new ethics requirements and guidance to assist professional accountants in responding to non-compliance with laws and regulations - “NOCLAR” which will be effective from 15th July 2017 in Sri Lanka along with most other countries. The standard takes the position that the accounting profession must play a role in the global fight against NOCLAR, such as financial fraud, money laundering and corruption. It introduces the ability for Professional Accountants (PA’s) to set aside the duty of confidentiality under the Code in certain circumstances and provides accounting professionals guidance on how to appropriately respond to NOCLAR. The intention is to stimulate greater accountability among organizations and



Presenter:



*Reyaz Mihular,
Managing Partner
KPMG Sri Lanka*

Session in Brief

Accountants have a responsibility for determining what gets measured and why

Requirement for Accountants to respond to NOCLAR within an identified framework

New Audit Report for All Companies

- *Report reordered*
- *Descriptions of responsibilities revised.*
- *Description of work performed on other information*

Additional for Listed Cos.

- *Description of key audit matters*
- *Disclosure of engagement partner’s name*
- *Disclosure of other information not received before date of audit report and related auditor responsibility*

IFRS 9 sets out new accounting requirements for recognising and measuring financial assets and liabilities

help to protect stakeholders and the general public from substantial harm, resulting from non-compliance with laws and regulations. Applicability of these provisions are relevant to both accountants in public practice and accountants in business and those charged with governance such as executive and non-executive directors.

7.2 New Audit Report

In January 2015 the International Auditing and Assurance Standards Board (IAASB) issued new requirements on auditor reporting in response to calls from users for the auditor’s report to provide more than a pass/fail opinion. Under the new requirements, investors will have access to information that was not previously available as auditors are required to give users more insight into the audit and improve transparency without changing the scope of an independent audit. The new requirements do not directly impose any requirements on audit committees although it is anticipated that there will be increased interaction with the auditor regarding potential key audit matters.

| ISA 701 – New Requirements | |
|---|---|
| All Companies | Listed Companies |
| <ul style="list-style-type: none"> • Report reordered – opinion goes first. • Revised descriptions of management and auditor responsibilities. • Description of work performed on other information such as the annual report. | <ul style="list-style-type: none"> • Description of key audit matters. • Disclosure of the engagement partner’s name. • Disclosure of other information not received before the date of the audit report and of related auditor responsibility |

Key Audit Matters are defined as those matters that, in the auditor’s professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are

selected from matters communicated with those charged with governance. These descriptions are intended to:

- Enhance the auditor’s report by providing greater transparency about the audit that was performed.
- Provide users with additional information to help them understand those matters that, in the auditor’s judgment, were of most significance in the audit of the financial statements.
- Help users to understand the entity; and the areas of significant management judgment in the financial statements.
- Provide users with a basis to further engage with management and those charged with governance.

7.3 Revision of IFRS 9,15,16, & 19

The financial crisis of 2008 led to severe criticism of the financial services industry and focused attention on the delayed and inadequate impairment provisions. This resulted in loss of confidence in the Incurred Loss Model (IL) which was replaced by the Expected Loss Model. Analysts and other Users of financial statements also demanded more robust Revenue Recognition rules and Leasing standards that reflected the underlying reality. IFRS 9,15,16 and 19 were revised in response to these calls for change. The effective date for all these standards is 1st January 2018.

7.3.1 IFRS 9: Financial Instruments

IFRS 9 sets out new accounting requirements for recognising and measuring financial assets and liabilities, replacing IAS 39 Financial Instruments: Recognition and Measurement. The main changes are as follows:

- Classification & Measurement is now based on the entities business model and cashflows
- Impairment has changed from Incurred Loss model to Expected Credit Loss model to address current regimes pro-cyclicality
- Hedge Accounting is aligned more closely with risk management objective and strategy

| IAS 39 Category | | Measurement Base | | IFRS 9 Category | |
|--|----------------------|---|-----------|-----------------|------------------------|
| Fair Value > | Contractual Analysis | Fair Value through Profit & Loss | SPPI Test | < | |
| Available for sale > | | Fair Value Through Other Comprehensive Income | | < | Held to Collect & Sell |
| Held to Maturity > | | Amortised Cost | | < | Held to Collect |
| Loans & Receivables > | | | | | |
| P&L volatility for financial assets due to classification will change | | | | | |
| Classification determines the scope for impairment (Gating Question) | | | | | |

Consequently, the provisions under IFRS 9 are expected to be higher than IFRS 39 due to:

- Exercise of key judgement around “significant increase in credit risk”
- Losses including the impact of future economic forecasts

- Relative assessment requiring tracking of credit assessments back to when facilities were granted
- Requirement to provide expected credit losses on off balance sheet exposures such as loan commitments and financial guarantees

7.3.2 IFRS 15: Revenue from Contracts With Customers

The new standard introduces a five-step model to determine when to recognise revenue, and at what amount as summarized below:



Revenue is recognised when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the company’s performance, or at a point in time, when control of the goods or services is transferred to the customer.

IFRS 15 replaces IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. It also amends IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IAS 40 Investment Property. Consequently, it has wide ranging implications for many sectors including Telecommunication & Cable, Real Estate & Construction, Software, Licensors (Pharma, film and entertainment franchisors), aerospace & Defence, Asset Managers and contractors.

7.3.3 IFRS 16: Leases

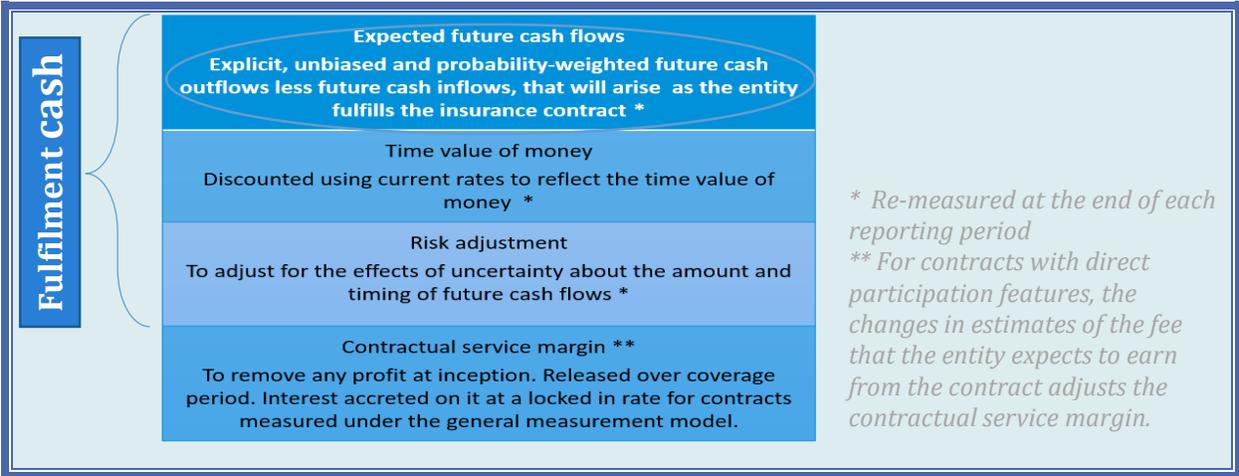
The new accounting model for leases can be summarized as follows:

| Lessee | Lessor |
|--|--|
| <ul style="list-style-type: none"> • Single accounting model • No lease classification test • All assets are in the balance sheet; <ul style="list-style-type: none"> • <i>Lessee recognizes the right of use of an asset (ROU) and corresponding lease liability</i> • <i>Treated as purchase of an asset on financed basis</i> | <ul style="list-style-type: none"> • Dual lease accounting model • Lease classification test based on IAS 17 classification criteria • Finance lease classification model on IAS 17 finance leases accounting, with recognition of net investment in leases comprising lease receivable and residual asset • Operating lease accounting model based on IAS 17 operating lease accounting |

Consequently, companies with operating leases will appear to be more asset-rich, but also more heavily indebted while total lease expense will be front-loaded even when cash rentals are constant. The issues for lessors are not covered in detail due to the complexities involved and the general applicability of the same to members of the audience.

7.3.4 IFRS 17: Insurance Contracts

IFRS 17’s general measurement model (GMM) is based on a fulfilment objective and uses current assumptions. It introduces a single revenue recognition principle to reflect services provided which is modified for certain contracts. Key impacts include greater volatility in financial results and equity and higher level of transparency about profit drivers.

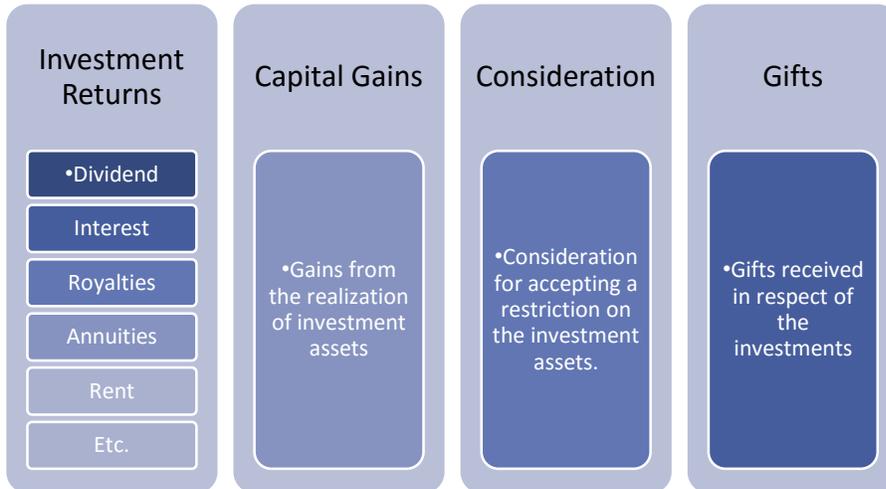


7.4 New Inland Revenue Act

The new IRA was presented and passed in Parliament on 7th September 2017 replacing the existing IRA No 10 of 2006 and introducing new regulations. Income tax is imposed on “profit and income” on every person for the year of assessment, arising from persons resident in SL and income derived from SL by other persons. The amount of income tax payable by a person is aggregation of tax on taxable income and any final WHT payments. Income liable for tax will change as follows:

| Prevailing | Proposed |
|---|--|
| <ul style="list-style-type: none"> • Employment income • Business income • Dividend, interest and discount charges and annuities rents, royalty and premium winnings from lotteries, betting and gaming • Income from any other sources | <ul style="list-style-type: none"> • Employment income • Business income • Investment income including capital gains • Income from any other sources |

Investment Income liable for tax will be as follows:



Income from any other sources will include winnings from betting and gambling, lottery and others required by the Act

Proposed tax rates will be as follows:

- 14% for SMEs, exports, education, agriculture, promotion of tourism and IT
- Standard rate of 24% for all industries including banking and finance, insurance, leasing, trading and unincorporated bodies
- 40% for Betting and gambling, liquor and tobacco

Two categories of losses have been identified as given below and the current limit on utilization up to 35% of the total Statutory Income was removed:

- Business losses - The losses arising from business subject to reduced tax rates or exempt income, can only be set off against income subject to such reduced rates or exempt income.
- Investment losses - Losses incurred on the realization of investments could only be set off against income from investments. Unutilized losses could be carried forward for 6 years while any losses arising from accelerated dep. can be extended to 10-25 years.

7.5 Exchange Control Act

Exchange Control regulations are liberalized by permitting foreign currency transactions unless the same is specifically restricted or prohibited. The scope of the Act covers *foreign currency and foreign assets, current account transactions and Capital account transactions*.

- Current and capital transactions are to be allowed to the extent permitted by regulations which will be issued in the near future.
- Foreign income not disclosed and remitted in to Sri Lanka will be subject to remittance fee at 1% which is in lieu of all applicable taxes. If such funds are invested in Sri Lanka Development Bonds, the same would be exempt from the remittance fee. Monies so remitted can be freely repatriated out of Sri Lanka.
- Authorized Dealers and Restricted Dealers would continue to process foreign currency transactions.
- A formal inquiry procedure and penal provisions have been set out in the law.

- Director, partner, or member of anybody corporate or unincorporated is personally liable for any offence committed under the new Act.
- The Minister in charge of the subject can issue regulations under the provisions of the Foreign Exchange Act and such regulations should be published via gazette notifications.

7.6 Concerns & Way Forward

It was noted that there are no specific provisions in law for whistle blowing except for the new SEC Act which enables the auditor to make reports to the Board of Directors or regulator. Moreover, a professional may be precluded from whistle blowing through the contract although it is possible to seek protection under Section 160 of IP Act which states that you should not disclose contrary to honest commercial practice. It is possible that NOCLAR may prevail over other legal provisions although this is not a certainty. It was noted that NOCLAR also shifts responsibility to corporates. Imposes a specific obligation to look after interests of investors and company.

At a corporate level, Boards and Executive Management have significant concerns about the matters that auditors propose to include in Key Audit Matters as there is potential for disclosure of sensitive and competitive information.

Corporates need to engage in long range planning for growth, going global and delivering value. The Finance function at Brandix has restructured itself accordingly by centralizing, specializing and outsourcing different activities. Specialized services such as Reporting, financial accounting, tax and strategic planning were centralized, and repetitive tasks were outsourced. Business functions were supported better by identifying finance professionals with the right attitude and skills and making them Business Partners, so they can understand the business functions better, honing specialized skills to add value to the businesses.

Auditors will also have increased liability and there will be significant concerns for auditors regarding this. The panelist, an eminent legal professional was of the opinion that auditors will not be liable to indeterminate persons for indeterminate sums of money in line with a precedent set overseas, but these have not been tested locally.

Audit firms may also have to align their recruitment and retention strategies to innovations taking place which make 100% of audit of transactions a reality as they will need fewer trainees and more highly skilled professionals. Client awareness of these changes also will need to be enhanced to align expectations of large teams to smaller teams with higher levels of IT capability.

The Institute of Chartered Accountants of Sri Lanka (ICASL) will have a key role to play in driving change with the new audit reports and NOCLAR. Training must be given to its members to assist in exercise of professional judgement as to what the real key audit matters will be. It should also consider setting up a support line/advisory body to support members in exercising professional judgement in NOCLAR situations to determine the right course of action.

ICASL may also have to consider reviewing its student recruitment policies in view of the technology innovations using artificial intelligence as accounting forms will require fewer trainees and more highly skilled professionals who are able to exercise judgement.

Accountants as individuals need to ensure that they have the skills to navigate the changes taking place within the profession. They need to be good at what they do, be multiskilled, move in to other functions and become part of the CEO talent pipeline. Accountants must also focus on their soft skills, be flexible and become a solutions provider while being compliant with laws and regulations. Aspiring leaders must learn to be agile, move out of the backrooms and support the value creation processes of the organisations. Empathy and the ability to disagree without being disagreeable are qualities to cultivate in readiness for leadership positions as speaking nicely but effectively is an art that will take professionals a long way.

8 Beyond Intelligent Technology

8.1 Human Vs Technology: Shifting Gears for a New Relationship

Disruptive technological innovations are shaping the world and Artificial intelligence is poised to change the future. What used to be science fiction is rapidly becoming science fact as driverless cars, flying cars, intelligent machines, 3D design and printing are all a reality. It is only a matter of time when it will play a part in almost everything we do as virtual assistants like Siri and Cortana, map assistants and algorithms are used by many to enhance our lifestyle and effectiveness. Sophia, the humanoid robot is able to conduct a conversation on her own and is now a “robot citizen” of Saudi Arabia.

Business related artificial intelligence (AI) is transforming workplaces. Innovations includes chatbots that respond to live chat on websites and social media and Robotic process automation (RPA) which uses software robots to automate repetitive manual tasks in a business organization, such as reconciliations, fraud detection and reporting, compliance monitoring, data entry, data retrieval and validation, customer complaint processing and invoicing. Processing large quantities of data more efficiently and cost effectively than humans, AI frees skilled humans to drive value creation for the business by attending to other tasks requiring strengths such as emotional intelligence, reasoning, judgment, and interaction with the customer. Organizations deploying RPA have gained significant advantages in cost, scalability, flexibility and improved customer service.

In Sri Lanka, corporates are already using AI solutions to automate processes and enhance customer experience and consumerised applications are used by many of us in our daily lives.

LIFE 3.0
BEING HUMAN IN THE AGE OF ARTIFICIAL INTELLIGENCE

“Everything we love about civilisation is a product of intelligence, so amplifying our human intelligence with artificial intelligence has the potential of helping civilisations flourish like never before as long as we manage to keep the technology beneficial”

Max Tagmark

Presenter:



Conrad Dias,
Chief Information Officer,
LOLC Group,
MD/CEO LOLC Information
Technologies Ltd.

Session in Brief

Disruptive technological innovations are shaping the world and Artificial intelligence is transforming work places and industry sectors

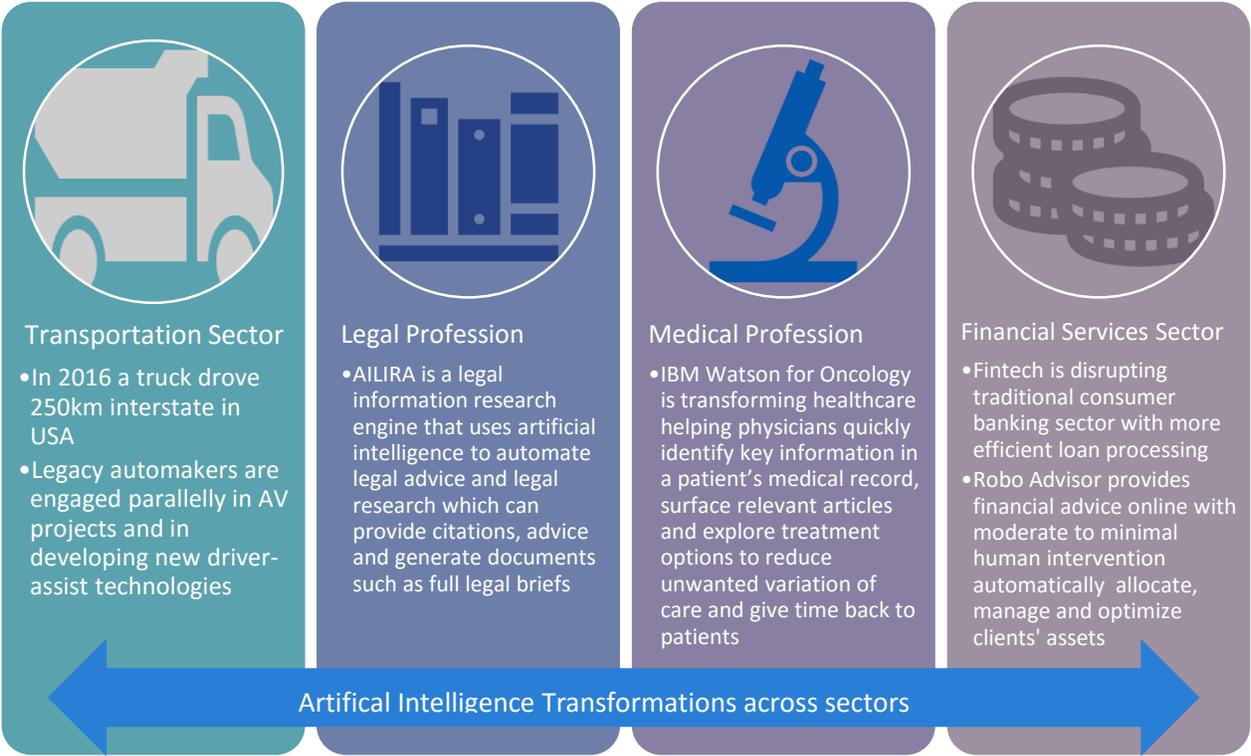
In Sri Lanka, corporates are already using AI solutions to automate processes and enhance customer experience although it is slow

Soft challenges

- Unemployment
- Adequacy of legal framework
- Artificial stupidity of machines during transition
- Humanity and prioritization dilemmas

Hard Challenges

- Ensuring AI will be used only for good including output created by AI
- Maintaining privacy
- Ownership of output created by AI
- Cyber security



8.2 Concerns

Uncontrolled AI developments - Objective of AI should be to develop the positive aspects of the technology, manage its risks and challenges and ultimately build an AI-enhanced society. Thus, to utilize AI to enhance the quality of life, eradicate poverty and end disease. However, AI in the wrong hands can be developed to result in inequality of power, inequality of wealth and end of humanity.

Smart applications developed from AI will increasingly be deployed resulting in profound social, legal, ethical, psychological and economic challenges as summarized below.

| | |
|-----------------|---|
| Soft Challenges | Unemployment and loss of livelihoods as machines replace humans in work places |
| | Adequacy of legal framework and its ability to adapt |
| | Managing transition phases that will test the artificial stupidity of machines in - non-simulated situations and recklessness of humans who will train the machines |
| | Ethical dilemmas involving humanity and prioritizations |
| Hard Challenges | Safety and control of AI to ensure that it will be used only for good, especially where output is created by AI itself |
| | Ensuring that AI developers remain within defined boundaries in collecting personal data regarding their subjects, maintaining privacy |
| | Ownership and responsibility of AI also considering outputs created by AI |
| | Cyber security |

The panelists opined that Sri Lanka is slow in adopting technology compared to other countries. For example, whilst ERP technology is fading globally, Sri Lanka is still adapting to it. Globally, the corporate giants are all AI technologically driven companies that successfully combine digital assets with physical. Local companies must leverage technology better, else fall behind to competition and fail. In the apparel industry, Sri Lanka's key foreign exchange earner and employer, organizations must keep abreast of AI technologies such as 3D design and manufacturing, to maintain their positioning in the supply chain of international retail brands who constantly adopt new technologies to achieve their own goals. In the financial services industry, internet banking is challenging the status quo of traditional banks. Poor regulatory laws may stifle the potential for growth of technologies such as Block Chain, which is causing substantial disruption overseas. The following key local challenges were identified as impeding the adoption and growth of AI technology in Sri Lanka.

- Cultural mindset for automation.
- Lack of data as a culture
- Digital readiness of the market
- Market size and scale
- Technology adoption
- Security and risk

The Government should have a clear understanding of how technology may shape the global economy, and local economy and society over the next decade, gearing the country to face the pending economic and social changes that will arise from the realization of disruptive technologies. This includes investing in new forms of education, infrastructure ; strategizing to mitigate the impact from disruptive economic change that will affect comparative advantages. Adoption of futuristic artificial intelligent technology must be facilitated and incentivized through investments in super-fast internet access to every part of the country and fiber optics, considering future capacity needs, offer tax incentives in the form of capital allowance for new technology software installed, tax allowances for early VRS payments arising from displacement due to automation and also foster startups through PPP funding and R&D funding.

Legislators need to protect the rights of its citizens, with enough flexibility to keep them safe from risks and new technologies that might arise in future without being overly prohibitive as to thwart beneficial innovations. I.e. in the deployment of Autonomous vehicles in Sri Lanka.

Sri Lankan corporates must consider the advantages to be gained and focus their attention to adopting futuristic, artificial intelligent technologies in their organisations , driving change in the technological landscape of the country. Lack of expertise in house can be resolved by hiring knowledgeable experts from outside. However, it is important to be fully aware of the pros and cons of applying the technology, to control and manage any pitfalls.

Increased automation will result in a large displacement of employees who will revolt and create discomfort, delaying the organization from benefiting in full from the technology deployed. Employees must be educated on the benefits of automation and AI applications, to promote a change culture within the organization and supported through the transition to remain relevant.

Professional organizations, research groups, academics and industry experts collectively have a large role to play in creating awareness, disseminating knowledge and supporting these organisations overcome the challenges in introducing AI technologies to Sri Lanka.

The education system and curricula from schools to post-graduate studies must be aligned to nurture and develop a technologically advanced economy and society supplying a digitally ready, knowledgeable and innovative workforce. The Institute of Chartered Accountants of Sri Lanka must inspire and encourage members/students to be multi skilled and to enhance soft skills through a holistic programme including online resources, face to face training and newsletters. The curriculum must be aligned to meet future business needs.

Accountants jobs will be one of the first to be replaced by AI and ML technology. However, there will be new jobs that will be created for humans that will complement the work of machines as well as the existing jobs which cannot be easily displaced by robots, requiring the application of human strengths such as emotional intelligence, reasoning, and judgment. Chartered accountants must be future oriented, embrace and engage in new futuristic technologies, be resourceful and develop the mindset, skills and disciplines to take advantage of these opportunities and demonstrate their ability to add greater value. Technology is a leveler or enabler in a competitive industry and if used well can create significant economic gains.

9 Reflections of an agile leader

The DSI group began business as a small boutique in Pettah prior to 1962 and has grown to become a premier, family-owned conglomerate of 31 subsidiaries, with a presence in over 100 countries and an employee base of over 30,000. Market leader in the manufacture of footwear and bicycle tyres in Sri Lanka, its diversified business portfolio includes rubber, trading, agriculture, PVC, hydro power and brushes. The group has organically grown through strategic investments in backward integration, expansion, related and non-related diversification.

9.1 Be Bold

Over the years, the organization has faced many challenges following the evolving business environment. A hallmark of its agility and success, has been the boldness and dynamism of its leadership in adapting to change, by converting threats to opportunities rather than simply initiating mechanisms to mitigate the risk. Driven by foresighted vision, innovation and well-crafted strategies, this approach has contributed towards DSI Group strengthening their competitive position and creating the industrial powerhouse it is today.

A few examples are given below.

| Threat | Opportunity/ Investment |
|---|---|
| Restriction on consumer imports through licensing system | Set up own shoe manufacturing plant |
| Government directive to promote exports- "Export or Perish". Imports restricted to companies dealing in exports | Identified potential export market in Middle East, given the on-going Mid East war. Quality was not an issue for a market starved by trade sanctions. Increased local market share by capitalizing on vacuum created by import restriction. |
| Rising price and quality competition from Multi-national brands | Set up high capacity plant to manufacture rubber soles and cease expensive imports. Soles alone were loss making. Expanded rubber product base (<i>related diversification</i>) and commenced manufacture of tyres and rubber molded products to drive economies of scale. |
| During Sri Lanka War, dependency on imported raw materials through Colombo port was high. | Sought an industry dependent on local raw materials. Opportunity to purchase clay extracted from irrigation tanks. <i>Non-related diversification</i> - Commenced the manufacture of clay roofing tiles. State of the art facility. Market leader, supplying local and overseas markets. |
| Environment concern from wasted tyres used for land refill | Invested in large reclaim rubber plant. Imports rubber waste to meet capacity. Exports end product. Largest local exporter. |

Presenter:



*Kulatunga Rajapaksa,
Managing Director
DSI Samson Group
(Pvt) Ltd..*

Session in Brief

Growth from small boutique to a presence in over 100 countries and 30,000 employees across 31 subsidiaries

Bold decisions and dynamic leadership facilitated adapting to change by converting threats to opportunities rather than merely mitigate risk

Success is attributed to a committed and loyal workforce nurtured through strong employee policies and practices.

Invested in state of the art technology, sometimes without financial justification due to potential or necessity

Fostered brand loyalty through slogans, an islandwide distribution network, design centre and R&D

Family and business matters were separated and 3rd generation is being groomed to takeover

Establishment of own brand overseas was pursued subsequent to creating a strong local market presence, obtaining international quality certifications and gaining market exposure by manufacturing under foreign labels. Collaborations with 3rd parties were cautiously engaged in after careful consideration of all risks envisioned.

The Group is constantly evolving. Business is like a bicycle, always in motion with no reverse gear and cannot remain static. A mantra of the Group is to seek the 'silver lining in every dark cloud'. Never give up.

9.2 Dedicated workforce

DSI's success is attributed to its committed and loyal workforce nurtured through strong employee policies and practices. The Group initiated a 'family' concept during the early years where a whole family would be recruited to the organization, in different capacities. Today, the 3rd generation is in employment. Foreseen shortage of labour is managed by setting up peripheral factories in areas of abundant labour.

9.3 Innovative technology

DSI consistently invests in state of the art technology. Few investments have been made on instinct than financial justification, taking the risk given the potential and necessity of investment.

9.4 Robust brand

The company faced unhealthy competitive behavior from deep pocketed, multinationals. DSI confronted competition by driving brand loyalty. An explicit slogan "DSI -Sri Lanka's No.1 Footwear" was developed to challenge consumer perception. DSI operates a wide distribution network, warehousing facilities and own/franchised showroom chain supporting growth of the brand. The group has invested in an Ultra-modern Design Center and a Research and Development Centre, two key institutions essential in ensuring the brand remains relevant and innovative.

9.5 Governance

Despite being family-owned, the second generation consisting of six brothers lead the organization, similar to a public company, maintaining high business ethics and driving professionalism, independency, transparency and financial discipline. The progress of the Group is regularly monitored at interactive monthly board meetings. As a policy, business is kept separate from family and only a single spouse from each family is employed in the business.

The third generation is being groomed to take over leadership. Having been previously employed in organizations outside the Group to gain exposure, the juniors are currently shadowing their parents in the management of the Group.

Annex I: Panelists and Moderators

- Anura Perera, Finance Director, Chevron Lubricants Lanka PLC
- Jonathan Alles, Managing Director/Chief Executive Officer, Hatton National Bank PLC
- Aruni Rajakarier, Director SheConsults (Pvt) Ltd.
- Subhashini Munasinghe, Associate Director, PriceWaterhouseCoopers
- Naomal Goonewardena, Founder Partner, Nithya Partners
- Hasitha Premaratne, Chief Financial Officer, Brandix Lanka Ltd.
- Tishan Subasinghe, Council Member
- Sriyan De Silva Wijeyaratne, Managing Director/Chief Executive Officer, Teejay Lanka PLC
- Channa Gunasekera
- Lakmali Hapuarachchi, Finance Director, Litro Gas Lanka Ltd., and Litro Gas Terminal Lanka Ltd.