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EXPORT
DEVELOPMENT
BOARD

Business Lanka

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Driving Exports Through SMEs

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WELCOME



SMEs play a vital role in the country's economy by seeking opportunities, taking risks, and driving for success through technology, innovation, and flexibility. As active players in the export market, their contribution to the country is significant.

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Ayubowan!

Making 80 percent of Sri Lanka's businesses is a big feat for the SME sector, which is the economy's lifeblood. The SME sector spans agri-business, manufacturing, and services, with 35 percent of the local workforce employed. SME founders are trailblazers in their own right, seeing and seeking opportunities, taking a risk, and driving for success through technology, innovation, and flexibility. They exploit niche markets and drive excellence even in a small ecosystem of operations and market segments.

SMEs are drivers of economic growth, income, and wealth creation; hence, this issue of the Business Lanka magazine is a celebration of their contribution to Sri Lanka's prosperity. As active players in the export market, their contribution to the country's reserves is magnificent and praiseworthy. Moreover, through their involvement, they take a piece of Sri Lanka to the world, its heritage, food, natural resources, practices, and even innovations. SMEs operating in the export sector represent a promising, diverse and dynamic market that offers a kaleidoscope of goods and services of quality. It's the story of individuals to whom the sky's the limit.

Signaling Sri Lanka's SME sector's drive for innovation and avant-gardism is zMessenger, a specialized data-driven digital marketing agency helping clients worldwide to adopt personalized marketing communications using consumer data. Led by young entrepreneurs, E Silk Route Ventures is a supplier of spices, tea, herbs, nutraceuticals, coconut products, fruits, and various agricultural products. With over 30 years of operational experience, Metshu Exports is one of the largest organic food product manufacturers and exporters in Sri Lanka, exporting coconut-based products, spices, and dried fruit to over 35 countries and leading global supermarket chains. Greens Flower Design uses sustainable and recycled materials and sustainably sourced natural materials to make one-of-a-kind handcrafted flower arrangements.

The magazine also features the Dambadeniya Export Village, the largest women-owned initiative, an example of women's empowerment and poverty reduction through enterprise development. The SLEDDB will showcase its success stories of providing a fillip to SMEs operating in the export market, especially its award-winning SME coaching program and new exporter development program. Sri Lanka has a significant trade partner in Australia, where trade in exports amounts to over US\$ 200 million annually. SMEs play a prominent role in serving Australia with many Sri Lankan products. The Australian High Commissioner in Sri Lanka provides insights into the potential leverage for Sri Lanka in accelerating and increasing business with Australia.

Sri Lanka Export Development Board

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Sri Lanka is well poised at the epicenter of that transformation because the blue economy is the eighth-largest economy in the world, with an annual value of USD 2.5 billion.



BILATERAL RELATIONSHIPS

Commemorating 75 years of Diplomatic Relations between Sri Lanka and Australia

The longstanding relationship between Sri Lanka and Australia has focused on trade, education, tourism, people-to-people links and strengthening regional security. Paul Stephens, High Commissioner of Australia to Sri Lanka emphasized that Tourism is most likely the number one sector in which Sri Lanka could grow its services exports with Australia. Having supported Sri Lanka through challenging times, he strongly believes that Australia will always remain a strong supporter of Sri Lanka.

Can you speak about the relationship between Sri Lanka and Australia in terms of both political and commercial ties?

This year Australia and Sri Lanka are commemorating 75 years of diplomatic relations, a significant milestone. In fact, the Australian Government recognized an independent Ceylon before it even became independent! Nowadays, Australia views Sri Lanka as a close Indian Ocean neighbour with which we share a vision for a stable, resilient, and prosperous region. We share a close bilateral partnership founded on cooperation in trade, education, tourism, people-to-people links, and strengthening regional security, including through joint efforts to combat transnational crime.

With the global economy expected to go into recession, what are the prospects for Australia in 2023?

Before the pandemic, Australia had enjoyed 30 years of continuous

economic growth, a record for a developed country. As with all other countries, the pandemic forced a slowdown in Australia's growth, but, despite some global headwinds, Australia has bounced back strongly. The IMF says Australia has recovered 'faster than most advanced economies.' Australia's growth is expected to remain strong at 3 percent in 2022 but is forecast to drop to 1.5 percent in 2023. Australia's household consumption has rebounded quickly, now exceeding pre-pandemic levels. While Australia is home to only 0.3 percent of the world's population, we account for 1.7 percent of the global economy.

What is the contribution of SMEs towards the Australian Economy?

SMEs are often described as the backbone of Australia's economy. They contribute around half of our GDP and comprise around 95 percent of all businesses, focusing on manufacturing, production, and healthcare, among other sectors.



Paul Stephens, High Commissioner of Australia to Sri Lanka.



Paul Stephens, High Commissioner of Australia to Sri Lanka presented credentials to Ranil Wickremesinghe, President of Sri Lanka.

A strong SME sector depends on strong collaboration between an industry and the research sector. Support for R and D is essential for SME competitiveness.

Does the Australian Government promote SMEs at the federal and state levels?

A strong SME sector depends on strong collaboration between an industry and the research sector. Support for R and D is essential for SME competitiveness. In Australia, SMEs can access a number of government-supported grants and programmes. These programmes operate at both the federal and state levels and cover a large number of government portfolios.

Australia is a preferred destination for higher education among international students. How did your country achieve that status?

Australia's economic strength is built on foundations of good governance, open markets, and the rule of law. These factors apply equally to our success in international education. Furthermore, Australia's education institutions rank the best in

the world – seven of our universities ranked in the global top 100 and 10 in the top 200. Over many decades, the Australian Government has worked to ensure the proper legislative and regulatory frameworks are in place for international students to receive a safe and fulfilling education experience. Factors such as the availability of quality accommodation, a premium on student protection and safety, a conducive student visa process, employment opportunities outside study, community engagement, and marketing and branding are central to the success of Australia's international education offering. Finally, Australia's attractive lifestyle opportunities and diverse, a multi-ethnic society that values tolerance and inclusion contribute to a positive education experience.

What are the major Australian investments in Sri Lanka? Will there be new investments in the future?

Sri Lanka is seen as a prospective test market due to its 'right size' and strategic location alongside important trade and shipping routes.

Despite the economic challenges Sri Lanka is currently facing, there is strong interest from Australian investors in the country. Almost every week, I meet with an Australian business representative interested in a new opportunity here. Sri Lanka is seen as a prospective test market due to its 'right size' and strategic location alongside important trade and shipping routes. Australian companies are generally interested in Sri Lanka's resources, energy, education, and ICT services sectors. Over 30 Australian education institutions currently have partnerships with a Sri Lankan entity,

including campuses or other on-the-ground operations in-country. Ansell – which manufactures healthcare products – is an Australian business success story in Sri Lanka, having established operations in Biyagama in 1989 and currently employing over 5,500 staff.

Sri Lanka's exports to Australia were only US\$ 250 million in 2021. What products and services in Sri Lanka have the potential to perform well in the Australian market?

Australians see Sri Lanka as a beautiful tourist destination with amazing natural attractions, culture, history, and delicious cuisine. Tourism is most likely the number one sector in which Sri Lanka could grow its services exports with Australia. There are also opportunities in other services sectors, such as healthcare and engineering, where Sri Lankan skills and capability – including good education standards and English-language capability – could help meet Australian demand.

You were appointed as High Commissioner to Sri Lanka very recently. Can you share with us your progression as a diplomat?

I have been fortunate to have had a varied career, including



Paul Stephens, High Commissioner of Australia at the Cinnamon Research Centre.



Paul Stephens, High Commissioner of Australia with Mohan Pandithage, Chairman and Chief Executive, Hayleys.



Left: High Commissioner of Australia at the World Investor Week 2022. Below: at the Sri Lanka Life Saving event.



Australia will always remain a strong supporter of Sri Lanka.

postings in Stockholm, where I was Ambassador, Bangkok, New York, and Brasilia, before my current position in Colombo. I have also spent many years working at our headquarters in Canberra on a range of interesting foreign policy issues.

Going forward, can you speak about the continuity of the relationship between Sri Lanka and Australia?

Australia will always remain a strong supporter of Sri Lanka. This is demonstrated by the Australian Government's quick response to the current crisis through our \$75 million humanitarian support contribution, focused on providing food security and health services to the most vulnerable communities. Australia is also deeply invested in helping Sri Lanka emerge from the crisis and embark on a sustainable growth path. We are doing this through programmes such as Skills for Inclusive Growth and the Market Development Facility, which are supporting Sri Lanka's tourism sector to scale up for a higher volume of high-value tourists; and Women in Work, which is helping increase the rate of female participation in Sri Lanka's labour force. Australia and Sri Lanka will continue to work together closely to combat transnational crime and ensure the Indian Ocean remains a stable and resilient region in which countries are free to make sovereign decisions in their national interest. I also see great potential for bilateral collaboration in addressing climate change, including through the rollout of renewable energy resources, of which Australia has a strong capability and Sri Lanka has high ambition. ■

AWARDS

EDB Becomes Runner-up at World Trade Promotion Awards 2022 for Inclusive and Sustainable Trade

Demonstrating its competency and excellence internationally, the Sri Lanka Export Development Board (EDB) accomplished another valued achievement. It became the Runner-up at the World Trade Promotion Awards 2022 under the category of Best initiative for inclusive and sustainable trade for its SME Export Coaching programme, which was conducted in the latter part of 2021. The 2022 World Trade Promotion Awards were announced at the World Trade Promotion Organizations Conference and Awards held in Accra, Ghana, on May 17, 2022.

The award ceremony recognized innovative programmes launched in 2021 by trade promotion organizations that helped small firms benefit from opportunities in international trade during uncertainty. The Awards jury comprised national trade promotion organization leaders from the previous award winners and was chaired by Pamela Coke-Hamilton, Executive Director, ITC. The organizations had to demonstrate that their initiatives assisted micro, small, and medium-sized enterprises to become competitive in international markets. The EDB became the runner-up under the “Best initiative to ensure that trade is inclusive and sustainable” category after going through three highly competitive selection rounds. The other trade promotion organizations nominated under the same category for the final round were South Korea, the Netherlands, Zambia, and Zimbabwe. Zimtrade – Zimbabwe was judged as the winner.



Top: Award Winning moment at the WTPO Awarding Ceremony in Accra, Ghana, on May 17, 2022.

Left: Runners up Award for Best Initiative to ensure that trade is inclusive & sustainable.

The EDB – Regional Development division launched the award-winning Export Coaching programme in two phases during 2021.

Phase I: Export Marketing Plan (EMP) Training

Twenty-five export-ready SMEs registered under the EDB. The New Exporter Development Programme was selected to support them in developing their capacities to

enter the export market. Under this initiative, individual coaching sessions on Export Marketing Planning were conducted by 11 EDB officers whom International Trade Centre trained in the year 2019.

The EDB officers then guided the SMEs to develop their Export Marketing Plans. An external evaluation panel evaluated these with details of their funding requirements to obtain the services that are



EDB EMP Coaching Team Members.

identified as key to expanding their businesses internationally, such as Market Intelligence, Product Development, Quality Improvement, Capacity Development, Packaging, and Marketing and Branding.

Phase II: Market Pitching Programme

The companies presented their EMPs within a three-minute pitch in front of an independent External Evaluation Panel on PowerPoint presentations. The panel comprised Dr. Dayaratna Silva, National Expert – International Trade Center, Professor B. Nishantha, Faculty of Management & Finance – the University of Colombo, and Mr. Nuwan Gamage, Senior Vice



Professor B. Nishantha
(Senior Lecturer,
University of Colombo)



Dr. Dayaratna Silva
(National Expert,
International Trade Center)



Nuwan Gamage (Senior Vice
President, Sri Lanka Institute
of Marketing)

External Evaluation Panel of the Export Market Pitching Programme.

President - Sri Lanka Institute of Marketing. The panel selected the 13 best Export Marketing plans, and the EDB granted the winners financial assistance to implement their following stages of development according to their proposed Export

Marketing Plans. Accordingly, the Export Marketing Plans were presented by Unicorn Tyre Retreads, Kandrick Tea Beverages Lanka, Nature's Wellness, Ceylon Dhee Ayurveda, Gamma Chemicals, Hela Coco Energy, Healthy Foods Lanka, Kadadasi, Liven, Nature Wins, Navigata Foods, Pranaya Ceylon & Tilma Lanka were selected as Best Export Marketing Plans at the awarding ceremony held at the EDB on December 10, 2021.

Following this program, the SMEs identified export market entry requirements and implemented their Export Marketing Plans. Out of these 13 award-winning companies, Unicorn Tyre Retreads, Gamma Chemicals, Kadadasi, Healthy Foods Lanka, and Ceylon Dhee Ayurveda have successfully exported their first direct export shipments by now.



Company presentations.



At the mini Exhibition.



Above left and right: SME companies implementing their Export Marketing Plans.



Being recognized as one of the best trade promotion organizations by the International Trade Centre (ITC), which currently works with more than 200 trade promotion organizations in the world, is a great privilege for our organization, as it elevates the image of the Sri Lanka Export Development Board (EDB) internationally.

*Malani Baddegamage,
Acting Director General, EDB*



EDB, having recognized the opportunities created through the pandemic, utilized this opportunity to connect with the regional-level SMEs, using digital platforms to develop their Export Marketing Plans, thereby inviting them to enter the export market. This award testified to the commitment of EDB to the development of SMEs and their contribution toward an export-driven economy.

*Sepalika Jayawardhana,
Director - Regional Development Division, EDB*

The EDB plans to continue this programme to provide more opportunities for SMEs to guide them in entering the export market, which is much needed to bring more foreign exchange to the country.

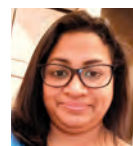
Few companies completed their export market entry requirements by obtaining Food safety Certifications such as ISO 22000, GMP & ISO 9001 and developed their farmer clusters by contributing towards rural development. It also provided opportunities for women and youth in rural areas. The other companies, realizing their bottlenecks in supply capacity for the export market, invested in capacity enhancement and packaging development as a long-term

strategy. The EDB will follow up with these companies for three years to ensure sustainability. The EDB plans to continue this programme to provide more opportunities for SMEs to guide them in entering the export market, which is much needed to bring more foreign exchange to the country.

The World Trade Promotion Awards, open to all national trade promotion organizations, is organized by the International Trade Centre (ITC) as a bi-annual event to recognize

outstanding trade promotion organizations that excel in export development initiatives. The ITC is the joint agency of the World Trade Organization and the United Nations.

On winning the award, EDB mentioned: This award identifies and recognizes initiatives that significantly and positively impact strengthening the competitiveness of exporting enterprises. It gives us the confidence that we are delivering the proper guidance to our target group of SMEs under the EDB New Exporter Development Programme by facilitating and motivating them to reach their export dreams systematically.



Nipuni Munasinghe
Export Promotion Officer
(Regional Development)
- The Sri Lanka Export
Development Board

SUCCESS STORY

Introducing SMEs to the World of Exports



EDB implemented a national programme to support entrepreneurs.

EDB Regional Development Division

Keeping in line with the “economic vision of the Government to transform Sri Lanka into a vibrant and prosperous nation through export-led growth”, the Sri Lanka Export Development Board (EDB) has implemented several initiatives to expose Small and Medium-sized Enterprises (SME) to the world of Exports.

National Programme to Develop New Exporters

The EDB implemented a national programme to develop

2,000 entrepreneurs to become exporters by 2020 at the regional level. The programme envisaged contributing towards achieving the national export target of USD 37 billion in 2025. The programme aims: to encourage domestic enterprises to invest in export industries, facilitate regional-based entrepreneurs to explore new business opportunities, integrate local supply chains to enter the global value chain, explore new export market opportunities for Sri Lankan products through FTAs, GSP+ concessions, creating and setting up or developing enterprises to enter into the global market through a systematic

approach, and generating new and productive jobs while empowering the youth.

Identifying Entrepreneurs

To provide a solid foundation for the programme, it was essential to identify suitable and interested entrepreneurs by identifying their needs through a need analysis and preparing individual business plans to develop them as exporters with the assistance of public and private sector stakeholders.

Applications for the programme from interested enterprises were obtained through, regional entrepreneurs forums, mass media/

The programme envisaged contributing towards achieving the national export target of USD 37 billion in 2025.

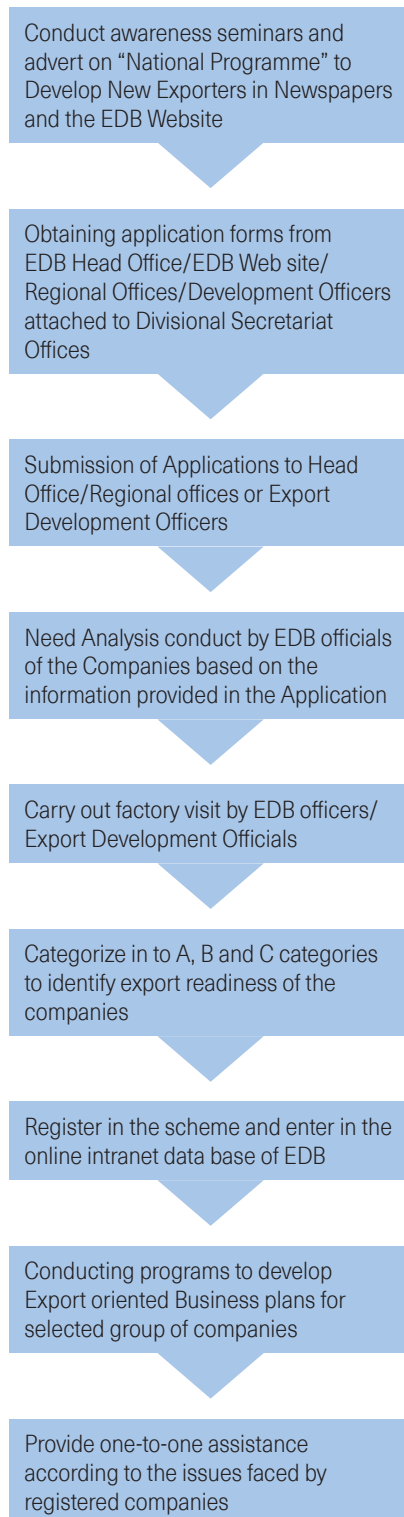
web, other stakeholders, EDB Regional Offices, Development Officers attached to Divisional Secretariats for Export Development, and Product/Market-specific seminars and workshops.

Assistance to the participant entrepreneurs was provided by: conducting Need Analysis and identifying individual issues to be addressed, grouping into categories such as Export-ready and Export-potential, assigning officers (EDB/DO) for each company, factory visits, preparing export-oriented business plans for each company, facilitation for bank financing, technology transfer/sourcing of machinery/training, product/design and packaging development as identified through the need analysis, trade promotion events, B2B meetings, inward buying missions, and follow-up and monitoring.

The Implementation of the Programme

The launch of the programme and the first awareness programme was held in Jaffna on March 23, 2017, with over 250 entrepreneurs participating. An Export Product Exhibition and Business Clinics were held parallel to the Seminar. Around 143 entrepreneurs attended the Business Clinics, and around 100 issues were resolved. Based on the availability of human and physical resources in the province, the EDB identified processed food, lifestyle, fisheries, and ICT/BPM as the most potential sectors in the Northern Province for export development. The subsequent awareness programmes were held in Kandy, Matara, Kurunegala, Kegalle, Anuradhapura, Vavuniya, and Ratnapura from 2017 to 2019.

Registration of new exporters under the national programme to develop new exporters

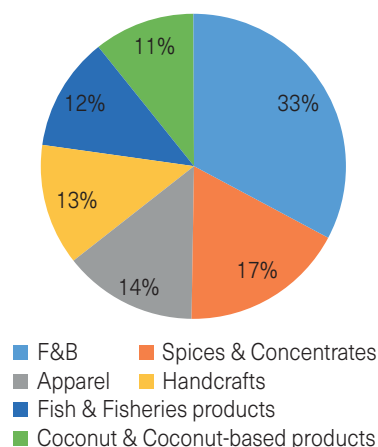


Progress up-to-date

Currently, 2,316 entrepreneurs registered with the EDB for this programme represent all 25 districts in the country.

The 2,316 entrepreneurs cover the product categories such as Food and Beverages, Spice and Concentrates, Apparel, Gift and Handcrafts, Fish and Fisheries products, and Coconut and Coconut-based products. So far, through this programme, 169 companies have been promoted as direct exporters (companies who directly export their products to their buyers in foreign countries.). Also, 555 companies have been developed up to the indirect exporter level (companies who are currently supplying their products to the direct exporters in Sri Lanka, and they need to develop their capacities to enter into the export market). At the same time, 1,592 companies are in the pipeline to be introduced to the export market (companies willing to introduce their products to the export market but need to develop both their product quality and capacities to meet the export market requirements). Furthermore, 347 women entrepreneurs are registered in the programme. "In 2020, the name of the programme was changed to New Exporter Development Programme as per the instructions of the line ministry."

The sector-wise composition of SMEs in the New Exporter Development Programme



Dananjaya Wijesekara, Founder of Kahawunu Ceylon. His business is based on making and selling hand-made incense sticks (branded as "Dahamli Incense Sticks").



Dananjaya Wijesekara is one confident young man who takes challenges head-on... Today, he has become a successful entrepreneur, producing and selling incense sticks in Sri Lanka and even exporting them.

Activities organized under the programme

- Training programmes/workshops on export and import procedures, pricing and costing, marketing, export packaging, new product development, and value addition
- Assistance for product development, design development, obtaining international standard certifications/system certifications, innovations and value additions to meet the requirements in the international market
- Organizing exposure visits, participating at trade fairs, product displays, and B2B meetings for potential SMEs to introduce them to the export market.

An inspirational success story from the EDB National Programme to Develop New Exporters

Dananjaya Wijesekara is one confident young man who takes challenges head-on. When he founded

his incense stick business in 2018, he earned a six-figure monthly salary as an area sales manager of Hemas Pharmaceuticals. However, Dananjaya – a man of high ambitions and lofty goals – was not at peace with the security and stability his lucrative job guaranteed.

Against the advice of his loved ones, he quit his job and became a full-time businessman two years ago. Today, he has become a successful entrepreneur, producing and selling incense sticks in Sri Lanka and even exporting them.

"Both my parents wanted to see me working in an office. They did not like me selling incense sticks. Initially, even my wife was not happy about it", he recalled the skepticism he encountered from his family when his business was started. An old boy of Panadura Royal College and an associate of the Chartered Institute of Marketing (UK), Dananjaya has ten years



Left: several people get indirect jobs by distributing to several areas of the island. Below: the EDB implemented a national programme to develop 2,000 entrepreneurs to become exporters by 2020 at the regional level.



of extensive experience in sales and marketing, having worked in various private companies. Today, his business – Kahawunu Ceylon, Panadura – makes and sells hand-made incense sticks (branded as “Dahamli Incense Sticks – named after his little daughter) and provides 75 indirect jobs by distributing them in Ratmalana, Dehiwala, Ingiriya, Kalutara, and Panadura with intentions to expand the business further. Furthermore, he now earns what he earned in six months through his job within a month.

By his admission, he has an inherent knack for sales and marketing. When he speaks, words flow like a river, capturing the minds and hearts of listeners. He is blessed with captivating oratory while brimming with great optimism. Nevertheless, the preliminary stage of his business was no bed of roses. “During the early days, when I was trying to sell incense sticks to shops near Kalutara Bodhiya, they refused my products.

Then, I gave my incense sticks to them free of charge. I was so disappointed and felt that my business would fail. Thankfully, the prelate

monk of the village temple consoled me”, Dananjaya reflected on the early hardships he had to experience. He also mentioned that the prelate monk of the village temple and his neighbours bought his incense sticks when he had no customers at the beginning. In stark contrast, he said people come searching for Dahamli Incense Sticks. Dananjaya had meticulously reinvested his business profits in the first two years. Only after he resigned from his job did he begin to tap into profits for his personal use. That is a good lesson for any budding entrepreneur to put into practice.

Dananjaya’s big break came when he enlisted with the 2000 Exporter Development Programme – a flagship initiative of the EDB’s Regional Development division – in 2017, aiming to convert non-exporting enterprises into exporters. After a series of interviews, he was selected by the EDB to participate at the 16th China International Small and Medium Enterprises Fair (CISMEF) in Guangzhou, China. When everything under the sun was imported from China and sold locally, Dananjaya had the audacity to think of exporting his products to China. “Everyone was ridiculing me for trying to sell incense sticks to China. But I left for China with the determination to find a buyer somehow. I stayed there for seven days; I slept only four hours a day while traveling around to find a buyer. Only on the seventh day was I able to secure a buyer, and that too after a lot of convincing and persuasion.

Finally, I came to an understanding with the buyer. I am now continuously doing business with China”, he reminisced with satisfaction. Dananjaya had no confidence in the country’s public sector before he came into contact with the EDB. But he is now grateful to the EDB for providing the opportunity to take his business to the next level. He also pointed out that his ability to establish a solid network of human relationships with several people served him well, as mere spending on promotions cannot create such a strong bond between a business and customers. ^[8]

EXPORT PRODUCTION

Dambadeniya Export Production Village (EPV)

Dambadeniya EPV was the first Export Production Village (EPV) established in the year 1981 by the Sri Lanka Export Development Board (EDB) under the 'Export Production Village' concept initiated by former Trade and Shipping Minister Hon. Lalith Athulathmudali as an export-led supply development programme. Under this programme, 19 EPVs were established during 1981–2003, of which only two EPVs are currently functioning (Dambadeniya EPV & Tissamaharama EPV).



Dambadeniya Export Production Village specializes in unique reed-ware package production.

The Concept of EPV

The concept and objectives of the EPV have been conceptualized as “a trading house of producers at grass-root levels to introduce rural export-oriented products (agricultural and agro-based cottage industry products) into the highly competitive international market”. The first producers’ trading house was established in 1981 at a cluster of villages in the Dambadeniya Electorate in the Kurunegala District. It was called the Dambadeniya Export Product Development Company Limited.

Background

Dambadeniya EPV was a pilot project set up under the EPV concept, starting reed-ware package production by targeting Tea Exporters to cater to the supply base of packaging requirements for the Export Market. In the initial stage, the EPV initiated its activities by exporting betel leaves and limited quantities of cashew and pineapple. However, as it later turned out that these were not feasible ventures, the company started making reed packs using raw materials available in the area. Subsequently, a reed-ware package production project targeting Tea

Exporters was implemented to cater to the supply base of packaging requirements for the Export Market. The venture of making reed packs has thrived since its inception, with over 1,500 producers (majority women) engaged in production and supplying products to the Export market through a linked Direct Export company. The production output of the EPV was exclusively for the export market. However, the company was linked with a single buyer who exports black and green tea to European and Japanese markets.

Some entrepreneurs in the area have been purchasing reed packs and



Creative shapes and designs.

selling them to various export firms. This may have been the basis for the success of the EPV since the skills related to reed pack-making already existed. Further, the Dambadeniya area has been historically known for weaved products. After establishing the Dambadeniya EPV, many such producers joined the EPV. Although employment provided by the EPV is not entirely new, the EPV has been able to regulate production. The EDB assists the project in all developmental and operational activities and closely supervises the company's financial operations.

At the producer level, there are production divisions headed by supervisors. A supervisor is also a producer in the group, selected by the members to carry out the supervisory responsibilities. These include organizing producers, supplying raw materials, encouraging new producers to join the production, and solving managerial problems at the producer level. Since the supervisors belong to the category of producers, it is assumed that they have a good understanding of the practical problems arising in the production process. The supervisors are remunerated for their services in the form of a commission according to the group's performance. This remuneration system is an incentive for the improved performance of the supervisors.

The venture of making reed packs has thrived since its inception, with over 1,500 producers (majority women) engaged in production and supplying products to the Export market through a linked Direct Export company.

Registration as a Legal Entity

Dambadeniya EPV was incorporated under the "Company Act" and registered with the Registrar of Companies as Janatha Samagama (People's Company) in 1981, making producers engaged with the EPV as shareholders of the company. The function of this company was to meet the export demand for the selected products that the shareholders of the company could supply; its operational method was to supply the products to export firms in the country. To fulfill the initial capital requirement of the company, the EDB has invested by taking the share ownership of the company. This company's most significant achievement is that except for the EDB's purchasing of shares, all other money capital needs were met by the villagers, particularly the producers themselves. The primary point is that this company was formed on a small amount of capital, belonging to a large number of (approximately 3,800) shareholders in the Dambadeniya

electorate. Since its inception, the EDB has been represented in the Director Board of Dambadeniya Export Product Development Company. The EDB has acted as a mediator to make business contracts between rural producers and exporters while supplying the initial cost to create a people's company in the village. The villagers and exporters have direct relations with EDB because it provides various services such as marketing information, arranging trade fairs, conducting feasibility studies on export-oriented goods, preparing project proposals, technical advice, financial support, to encourage country's export efforts.

The Current Situation of Dambadeniya EPV

Dambadeniya Export Product Development Company is currently engaging with the production of Reed-ware packages made out of 'Thala leaf' as its core products. It has been diversified to produce other eco-friendly items such as



Attractive, intricate, and eye-catching boxes for tea and spice packing.

To facilitate to promote of its products in the international market, the company has been included in the Trade Directory of EDB's official website and has published products in the EDB's e-Marketplace free of charge, providing an opportunity to showcase its products in a recognized e-commerce platform.

hamper boxes, table mats, bags, spice boxes, cake boxes, and file covers targeting the local and international markets. The company is currently generating less income due to the unavailability of sufficient orders for its core product (reed ware). Since the income generation of the reed-ware production is presently low, the company is engaged in the following income generation projects.

- Sub-contracting paper baskets for the export market through a linked exporter (Earth Bound Creations)
- Agriculture projects
- DIT computer course project
- Cultural hall project
- Vehicle hiring project

EDB'S ASSISTANCE TOWARDS THE COMPANY DURING THE RECENT PAST

Apart from representing the Director Board of the company, the EDB is facilitating an uplift of the company's current status by resolving its

issues. The EDB has always been facilitated to offer legal advisories through EDB Legal Officer and for Internal Auditing of the company when and where necessary through Finance Division & Internal Audit – EDB. In addition, Dambadeniya Export Products Development Co is currently registered under the 'National Programme to Develop New Exporters Programme' to be facilitated into the Export market. Through this programme, potential export companies are directed to Market development and Capacity development programmes based on the need analysis.

To facilitate to promote of its products in the international market, the company has been included in the Trade Directory of EDB's official website and has published products in the EDB's e-Marketplace free of charge, providing an opportunity to showcase its products in a recognized e-commerce platform; srilankabusiness.com/emarketplace.

The EDB also facilitated obtaining the 'Food Grade' analysis report from Industrial Technology Institute (ITI) to certify the heavy metals content level of their reed packages, enabling them to promote packages among Food related Exporters/Manufacturers. The EDB has introduced a recycled paper-based product Export company with the EPV and established linkages to subcontract products utilizing the skills of its producers. Also, Export Agriculture Division-EDB and Industrial Product Division-EDB, in coordination with the Regional Development Division-EDB, are currently in the process of identifying new investment projects to be introduced to this company with the intention of re-launching the EPV. ☐



Chaturangi Nuwarapaksha
Assistant Director, EDB
North Western Province
Office

ORGANIC FOOD PRODUCER

A Son of the Soil Lionizing Nature's Bounty

True to the saying that a journey of a thousand miles begins with one step, the story of Pasanka personifies just that. A homespun SME, this certified-organic food producer was founded on one man's passion for making a difference. The journey that began nearly 20 years ago continues, improving daily.



Pasanka is a good story of a homegrown SME pioneered by a lionhearted warrior who dared to cross the boundaries to become a symbol of true patriotism. It's the classic archetype of starting from scratch, the downturns and the setbacks, still pursuing and persevering to showcase Sri Lanka's richness through an array of organic-certified foods and generating a return for the country.

What is most remarkable about Pasanka's business model is the

network of small-scale organic farmers in southern Sri Lanka it works with. The women and men registered with the company supply raw material to manufacture and export organic dried fruits and vegetables, spices, herbs, and coconut oil to the UK, USA, Japan, and Australia.

K. K. Priyantha is the Managing Director of Pasanka, who personifies the heart of Sri Lanka's agriculture hinterland and a true son of the soil who has grown a business from the resources of the land of his youth.

Here was a young man with the knowledge and the skill, an agriculture degree, postgraduate training in food technology, and experience working in food processing. In 2004 when Priyantha took his first steps to become an entrepreneur, it was virtually a blank sheet of zero financial backing and base. Determination and hard work were his strengths, and on he pursued starting with the processing and packing of herbs like Beli (*Bael*), Ranawara (*Avaram Senna*), and Iramusu (*Indian Sarsparilla*)



K. K. Priyantha is the Managing Director of Pasanka.

flowers into herbal teas for use in tourist-frequented hotels.

The entrepreneur at heart, Priyantha's ambition to become an SME owner got a boost following an EDB-sponsored small-scale entrepreneurship training in 2002. He returned to his roots to make his dream come true. Based in Beliatta in the Hambantota district, Priyantha's Pasanka is an inspiring story of returning to one's homeland to harness the wealth of Sri Lanka's natural resources. Importantly his return was a humble acknowledgment of the privilege of being brought up in an area that was hard and arid but still burst forth with nature's profusion. Priyantha saw the potential that lay unused for years and how much the local population could benefit from their land. Therefore, Pasanka's unique proposition comes from using raw materials that often go unnoticed to waste.

In the dry zone of Sri Lanka's South, Priyantha found that many underutilized fruits, flowers, and plants that grew in abundance went to waste while the country was paying foreign exchange to import some of them for value addition in several industries. Among the benefit of operating from southern Beliatta is its proximity to the intermediate, wet, and dry zones and the diversity in the plants, flowers, and other agricultural products that grow in them.



Pasanka works with nearly 150 registered farmers.

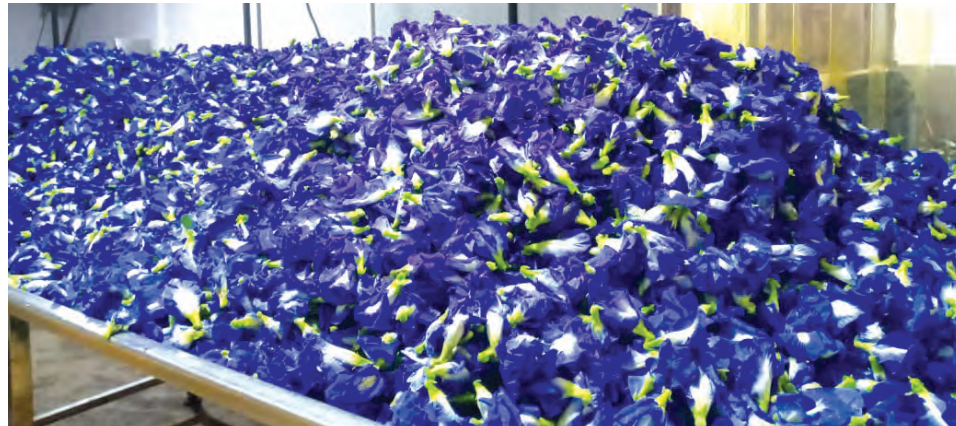
The entrepreneur at heart, Priyantha's ambition to become an SME owner got a boost following an EDB-sponsored small-scale entrepreneurship training in 2002. He returned to his roots to make his dream come true.

Priyantha's market vigilance to spot opportunities paid off in 2010 as he stumbled upon a vacuum in the tea industry, forcing it to import natural flavorings. The bold and driven entrepreneurial spirit kicked off in Priyantha, who grabbed the opportunity proactively and pronto went into manufacturing organic fruit flavorings for tea. That signaled his foray into Sri Lanka's infinitely exceptional tea industry. From small quantities of herbal teas to diversifying into organic fruit flavorings, Priyantha was confident of his potential to expand, which he did to include dehydrated fruits and vegetables and coconut-based products such as virgin coconut oil.

With USDA Organic, European Union, JAS, HACCP, GMP, ISO22000, and fairtrade labels that vindicate the products' authentic credentials, Pasanka works with 150 registered farmers, of whom nearly 60 percent

are women. Working with small farmer groups has its advantages. It facilitates close and continuous interaction, engagement, and quality enhancement of the cultivation process. Rather than expanding the network of farmers, the company focuses on productivity enhancement – a synergistic relationship that benefits both groups. Therefore, farmers cultivating for the company are no longer limited to growing a single crop. By introducing the farmers to produce a range of crops, they are ensured of year-long work and yield, guaranteeing a steady income.

The officers of Pasanka visit women growers to advise them on what to grow where and when, how to best prepare South's dry soil, and which post-harvest techniques result in minimum yield loss. Women farmers are specially recruited to grow flowers and plants for the company, which provides extra



Women farmers are specially recruited to grow flowers and other seasonal fruits that generate extra income for the Company.


In a challenging environment where it's easy to look at the downsides, Priyantha always opted to look at the glass as half full. Key to his success was his focus on a master plan or the bigger picture. What's most important to a successful business is being authentic.



income and the opportunity to stay connected with the company. These women also offer other products like seasonal fruits that grow in their home gardens and spices and herbs helping sustain the relationship. Fairtrade certification is an impetus for the farmers, extending the normal working relationship to one of integrity. The company also works with farmers outside the organic sphere who are transitioning to organic agriculture.

Just as farmers have forged a relationship with the company, the employees working at the office and factory are individuals from the district, signaling a homegrown SME that impacts native lives in multiple ways. The company is not only earning for the country, but the nature of its business is providing livelihood opportunities to people at the grassroots by going to them and obtaining their products rather than buying them through intermediaries.

Working with the grassroots has been a sure way to let the benefits trickle down legitimately to the most deserved groups in the value chain. In the future, Priyantha hopes to introduce processing centers closer to the farmers so that given the challenges of our times, especially the rising fuel and energy costs, they will process the raw material at sites closer to them before final manufacturing and value-addition at the company's factory.

In a challenging environment where it's easy to look at the downsides, Priyantha always opted to look at the glass as half full. Key to his success was his focus on a master plan or the bigger picture. What's most important to a successful business is being authentic. There's no easy way in business, so patience is a virtue for an up-and-coming entrepreneur. His journey's philosophy includes being target oriented and having a vision that goes hand in hand with genuine intentions. Those traits are what every individual who aspires to succeed in life should cultivate and be imbued with as one leaves school observes Priyantha. When he started, Priyantha says that he had no financial backing, but if there was one thing steadfast in him, it was a vision for the future, a dream to be a valuable citizen of the country. In the meantime, his business is growing, and he has expansion plans. Always a brave and innovative entrepreneur, he plans to diversify his business by introducing natural food coloring into his portfolio of export products. 

FLORAL DECOR

A Pop of Color: The Story of Greens Flower Design

Greens Flower Design takes delight in crafting beautiful floral arrangements that are inspired by nature. With a range of choices, these faux flower arrangements will spruce up and give new life to any interior or surroundings.



Flowers connect people to nature in myriad ways. Their beauty stimulates the visual senses. They amp up the vibe of the space that they fill. Greens Flower Design does just that, from flower arrangements in pots and bouquets to their designs in quirky shapes, ace the art of using artificial flower arrangements to make a discernible difference in the spaces they occupy.

Their decorative flower décor solutions range between the bold and the soft in flowers, colors, and texture. Theirs are statement pieces that radiate with natural beauty and craftsmanship.

It all started 35 years ago with Nandana Maliyadewa, whose love for everything floral led him to begin small. As a proud homegrown SME that became a private limited company ten years ago, Greens Flower Design has invaded the highly competitive export ecosystem while creating a noteworthy social impact in the lives of the people they work with.

Greens Flower Design embraces the twin values of providing durable and eco-friendly solutions. In an era when everything synthetic is harmful to the environment, this flower maker, who takes pride in crafting every design uniquely by hand by a team of

trained artisans, has invested in using sustainable and recycled materials for their products, thereby reducing the environmental impact. Their focus is using limited imported raw materials, the white material for the flowers being the primary input from overseas, machine-cut at his factory, colored, dried, and tooled. The flowers are assembled with a few accessories such as plastic balls and dried plants.

Greens' floral offerings are described as permanent botanical arrangements because they fuse dried invasive plants into the arrangements. Often, the species we deem of no value, especially when



Managing Directors Nandana Maliyadewa, and his spouse Lalani Maliyadewa.

they are predatory plants, the Water Hyacinths, the weeds, and even discarded tea branches proliferate floral arrangements. At Greens, these undervalued plants and parts are given a new lease on life as they are added in various colors to floral arrangements. In some arrangements, dried natural plants make nearly most of the collection. In contrast, in some others, the dried wild plants are interspersed with artificial flowers to

make pretty centerpieces and table tops. Kudos to the insatiable thirst for innovation that turning undervalued plants into a work of art is a worthy endeavor as many individuals make a living by collecting the plants and the discarded tree parts for processing to Greens Design.

As a responsible business, their focus is on reducing greenhouse emissions in the manufacturing process, hence every aspect of

manufacturing is handled with utmost care and diligence guided by a panel of qualified professionals. From a stringently supervised dying process to procuring sustainably sourced natural materials for the arrangements, such as coir-based pots and gunny bags, help minimize the environmental cost. By subscribing to rigorous standards, Nandana and his team embrace the triple tenets of sustainability: reducing, reusing, and recycling. The company is focused on combining its faux flower arrangements to not only add verve to the space it adorns but, because they last long, unlike fresh flowers, reduce the carbon footprint.

Like a lot of SMEs women are key players in this business too. Women are valuable assets in delivering beauty and quality in every creative endeavor. Managing Director Nandana Maliyadewa, and his spouse Lalani Maliyadewa, also Managing Director in the family-owned enterprise, takes great pride in their team of trained and skilled women to meet the standards set by the company. Empowering women and helping them become economically independent is a crucial business ethos. Over a thousand women in Sri Lankan villages are

Like a lot of SMEs women are key players in this business too. Women are valuable assets in delivering beauty and quality in every creative endeavor.





Their floral arrangements and products are eco-friendly, handcrafted and creative.


Being a native SME that has risen the ranks through sheer hard work and commitment and the support of the Sri Lanka Export Development Board, Greens focuses on making a social impact in choosing their business partners.



leading empowered lives thanks to the intervention of Greens Flower. They have been trained in flower arrangements and are making export-quality products in their villages today. This business model of subcontracting the work is a win-win for all the parties concerned.

And going hand in hand with women's empowerment is the business's value of the human touch. They believe that no amount of technology can replace the marvels that human hands can produce. So, it's with their enormous range of flower arrangements meticulously fashioned into a work of art by women's hands. Interpersonal skills are greatly emphasized at Greens, where a team of skilled marketers is hands-on to fulfill customer requirements. At the same time, technology is at the core of ensuring efficiency in operations so that the company keeps to its creed of meeting deadlines all the time.

Being a native SME that has risen the ranks through sheer hard work and commitment and the support of the Sri Lanka Export Development Board, Greens focuses on making a social impact in choosing their business partners. The company follows the principles of the Black Economic Empowerment (BEE) policy adopted in South Africa to advance economic transformation and enhance the financial participation of

Black people. Therefore, the company invests rigorously in promoting best practices. Just like they were given the space to develop and thrive in their burgeoning days, Greens focuses on working with deserving groups of people. In line with the Sri Lankan Government's aspirations, they ally with disadvantaged groups and companies, shun unfair labor practices such as employing minors, believe in fair wages for women, and align with companies that promote equality and national economic development. Because they love what they do, their primary mission is to ensure client goals and objectives are always met at the end of every project. And that's because the company identifies that its very existence depends on how far they are willing to go to fulfill the expectations of its worldwide customer base, who are environmentally and quality conscious. Constantly focusing on capacity expansion, today Greens Flower Design can churn out nearly 150,000 faux flower arrangements in a month. Anyone can make an exquisitely stylish aesthetic statement with a bouquet of faux flowers or a simple sheath from Greens Garden Design. The array is so diverse that Greens has a floral solution that suits different ambiances. Why not introduce some color and add interest to the rooms? 

FOOD PRODUCT MANUFACTURERS

Pursuing the Big Picture

Calling themselves the True Coconut Company, Metshu Exports has had a journey of two generations. What started as a coconut-producing business in 1988 in Sri Lanka's Coconut Triangle has come of age as a leading exporter with a diversified range of products. Metshu is another testament to the local entrepreneurship spirit and the dare to cross the limits to tread into new openings.



Organic-certified coconut oil from Metshu Exports.

It's a story of more than 30 years. It's a story that began differently, simple and small. In Daraluwa, Kurunegala, in northwestern Sri Lanka, one family started an entrepreneurial journey. Today, a company remodeled as Metshu continues its journey of adding value to lives. It has grown from an SME processing oil from a single crop to a diverse range of organically-certified food products for the international market.

Metshu Exports is a testament to the dynamism of an SME that has crossed market boundaries fearlessly. From the humble

beginnings of a coconut oil maker for more than two decades, one man identified and explored a vast ocean of growth opportunities as the next generation of a family-owned enterprise emerged. It responded appropriately by expanding the demand side of the economy to garner a better payoff and create greater value for its stakeholders. In demonstrating its versatility to swim through the currents while exploring the depth of opportunities, the company has strategically diversified into a range of new commodities, such as new coconut-based products, dehydrated fruits, and spices over

time. The business's thrust to adapt and draw on the largely untapped demand out there saw it stepping beyond traditional boundaries, the basket of exports with a twist, creating new value through innovation to unravel new demand.

The birth of Metshu Exports in 2014 was to tap the vast demand globally for a plethora of organic products with a state-of-the-art production facility. The new facility manufactures organic-certified coconut oil and coconut products, organic-certified products, and non-GMO food products. The opening of the new canned fruit facility in March



L A M Dulshan Chathuranga,
Managing Director, Metshu
Exports.



Metshu Exports has two
dedicated factories focusing on
quality and stringent adherence
to standards.

2019 marked yet another expansion of Metshu. Today, the company has two dedicated factories, one for processing coconut oil and the other for coconut-based products such as coconut milk, desiccated coconut, cream flour, chips, spices, and dried fruit.

All its expansions focus on the big picture: to realize its vision of “Nourishing people, enriching lives.” Quality is at the core of its operations as a certified organic manufacturer. Its credentials, such as USDA, EU Organic, JAS, FSSC22000, Non-GMO, ISO22000, Kosher, HACCP, HALAL, and SEDEX certifications, allow it to stay the course. As one of the largest food product manufacturers in Sri Lanka, Metshu exports its products to more than 22 countries and some of the world’s largest supermarket chains. It had made inroads into new territories, such as the Middle East, where the response has been overwhelming.

There are many reasons to constantly underscore SMEs’ vital contribution to the local economy. They earn forex for the country, provide employment opportunities to natives and break the unnecessary value chains connecting cultivators and the end user. In keeping with the positive sentiments associated with the SME sector, Metshu has provided direct employment to 200 villagers in the vicinity of its facility. Their internal teams are the strength that makes

things happen, engendered by a work culture that nurtures motivation so that the company values are maintained devoutly. That, in turn, is what upholds the company values of consistency in the quality of raw materials and end products, efficient after-sales service, timely delivery, and competitive prices.

The company has a two-pronged approach to procuring its products – from its plantations and local farmers scattered around the country. Paramount on its agenda as a fully-fledged organic certified food producer is the adoption of a sustainable business model. To

All its expansions focus on the big picture: to realize its vision of “Nourishing people, enriching lives.” Quality is at the core of its operations as a certified organic manufacturer.

State-of-the-art production
facility.






Left: all sections ensure operations are hygienic and smooth functioning.

Below: a range of coconut oil and other coconut-based products such as coconut milk, desiccated coconut, cream flour, chips, spices, and dried fruit.



realize this, the company has initiated prudent investments toward expanding its organically-grown plantations, which only a few companies can afford. Recognizing the impact of climate change on the world and human health and investing in executing a response by engaging in organic farming guarantee resilience. Fairtrade principles govern the company's relationship with its base of local growers, a testament to its commitment to sustainability. Traceability guarantees dependability and quality throughout the process, allowing it to meet customer expectations consistently. Of course, a company that boasts of being a business hankering

on sustainability principles must necessarily extend its commitment to good practices in every sphere of activity. In adhering to its stated principles, the company has in place an environmental policy that commits to being highly conscious about any potential impacts of its operations on the environment and to take proactive measures to minimize waste, emissions, and effluents. Responsible waste disposal mechanisms go hand in hand with the overall ethos of the business, with a focus on continuous process improvements to reduce the carbon footprint that its operations may generate. All that gets capped with stringent adherence to local laws and regulations and an inalienable commitment to the standards it stamps on its products.

L A M Dulshan Chathuranga, Managing Director, guides his company to stay committed to safeguarding and adhering to the quality and food safety policy of Metshu and its environmental policy, which are integral parts of its corporate philosophy. He emphasizes that his company's core values have been instilled in every employee, service provider, and sub-contractor associated with the company, thereby earning their equal commitment to complete his vision as an SME owner. The company avows consummate reliability to its customers, whether big or small. Every customer should see quality embedded in every product that carries the Metshu name anywhere in the world. 

EXPORTING ORGANIC PRODUCTS

The climb is all there is: The story of E-Silk Route Ventures

Sahan Clive Bakmiwewa is an optimistic entrepreneur. He believes in navigating and persevering through challenging times. As the Group CEO of E-Silk Route Ventures, an SME in the food and agriculture sector, delivering spices, herbs, tea, coconut, nutraceuticals, and vegan and plant-based products, he has learned everything the hard way. In a volatile environment where people opt to leave, close, or move their businesses elsewhere and where survival and sustenance are a battle, Sahan sees an opportunity in every crisis.



E-Silk Route Ventures' focus is on carrying out organic farming practices.

E-Silk Route Ventures began in 2014 with a start-up capital of 300,000 rupees. There was Sahan Clive Bakmiwewa, a young man studying for his bachelor's degree in Information Systems and Business Management who ended a year's internship at a leading multinational in six months, realizing that corporate life was not for him. He desired to be multifunctional, not be a small cog in a big wheel. Instead, a stint at a start-up

importing and selling digital solutions, among other things, suited his desire to be multifunctional, allowing him to be part of business development, project management, accounting, and creative input. By the time he returned to university to complete his final year, there had ignited the entrepreneurial spark in Sahan. And that's when he decided to start a business.

Sahan's initial foray into the business world turned out differently

than he had planned. In 2014 with a 300,000-rupee loan from his mother, Sahan set his eyes on operating in the goods importing sector, targeting electronic goods. But that, too, vaporized into thin air in a market flooded with big players. It was then that he transferred his focus to the export sector. A chance meeting with his former chess coach, a consultant to a spice exporting company, was the first stepping stone



E-Silk Route Ventures aims to create a platform through which the company can connect the farmers and end consumers, thereby cutting short the long value chains, and the farmers and the consumers derive the best value through their platform.



for his entrepreneurial dream. The introduction to an organic spice maker was all needed as the digital pro in him kicked off, aided by his learning in e-commerce and online business. His phone was at his disposal, and cyberspace was a virtual canvas to launch his dream project. A website with photos taken off his phone and a gold supplier membership from Alibaba to list the products was the first kickoff of his business. The first order was received in October 2014 and shipped by November. The rest, as they say, is history.

E-Silk Ventures started its journey in the export ecosystem with organic spices. The company has come a long way since that first shipment, today boasting a team of 115 people, with its tentacles in E-Commerce, Retail, Wellness, CPG, Manufacturing, Agriculture & Plantation, Trading and recently pivoted into Tourism with a Farm Stay. As a contract manufacturer, the company takes

its buyer's product ideas from concept to reality. The company's experienced professionals handle every step of the manufacturing process, from prototyping and testing to mass production and fulfillment. Its certifications include USDA Organic, EU Organic, GMP, HACCP and FSSC22000.

Today E-Silk Route Ventures (Holding Company) together with its two subsidiaries has three key purposes. E-Silk Route Ventures aims to create a platform through which the company can connect the farmers and end consumers, thereby cutting short the long value chains, and the farmers and the consumers derive the best value through their platform. The daring purpose of their wellness business, 'Ancient Nutraceuticals', is to save lives with innovatively engineered drugs and supplements. The third and newest venture is the factory in Matale, operating under Silk Foods Ceylon, producing a healthy range of

The philosophy of the Company is to uplift and empower the rural communities by incorporating best cultivating practices.



Sahan Clive Bakmiwewa, Group CEO of E-Silk Route Ventures.



Above left and right: NFT Greenhouse. Below left: Mushroom House. Below right: Products are neatly packed and experienced professionals handle every step of the manufacturing process, from prototyping and testing to mass production and fulfillment.

vegan and plant-based products. The third venture aims to develop dairy and meat alternatives to help fight the world's biggest challenge of mitigating climate change, where animal agriculture has emerged as a critical factor. Meeting the demand for other options is a service that the company does in helping humanity in its quest to reduce human operations causing climate issues and help people lead healthier lives while reducing animal cruelty.

The company's journey has been one of growth, marked by a desire

to stay relevant in a dynamic market space. Hence in 2015, when a trend towards wellness products emerged globally with inquiries pouring in for nutraceuticals and capsules from overseas buyers already purchasing cinnamon and moringa powder from E-Silk Ventures, the company responded swiftly. In December 2015, the company launched 'Ancient Nutraceuticals' to manufacture and sell capsules and wellness products. The company also ventured into supplying the demand for young jackfruit, an underutilized fruit with

great potential, and served in many forms in Sri Lankan homes. The market overseas was for young jackfruit. The company learned it was a great meat replacement in the West, where people were moving to environmentally friendly diets that objected to animal cruelty and promoted veganism.

The factory in Naula, Matale, opened in 2022, is situated amid seven and a half acres of a plantation where flowers and herbs like hibiscus, basil, blue butterfly pea, rosemary, and thyme, are grown.



A niche market is ideal for an SME because, as attractive as it is, it sometimes needs to be more significant for big players to wade. As a blue ocean, it's a considerable area where one can profit, says Sahan.



Above: the purpose of the new factory in Matala was to promote vegan and plant-based food manufacturing in an ethical manner.

A model farm where the management seeks to experiment and understand agriculture's minutiae, know-how, dynamics, and risks. Take lessons into account and, in the future, pass their know-how to the farmers who could focus on cultivating plants for the company. In meaningfully impacting farmers' lives, the company hopes to wean them from falling victim to cultivating

seasonally popular crops that promise a high market return. Often when the majority grow them, and the market gets flooded with a surfeit of the produce, the farmers fail to get rid of the surplus and garner the required returns. The company will hire farmers to cultivate the necessary crops in the future with a buy-back guarantee. The challenge of a low starting capital meant that

buying booths and attending trade fairs for visibility, exposure, and making connections with potential buyers was too much of an investment for a new SME. Aware of the limitations of a start-up, Sahan used the best strength and opportunity at his disposal, digital technology, and the internet, to penetrate the market. The height of the COVID-19 pandemic demonstrated the dangers of getting too comfortable within one's operating sphere when so much competition is knocking on one's door. For instance, E-Silk Route, comfortably operated in the digital space, was invaded by more prominent exporters to navigate a challenging environment during the COVID-19 pandemic. The deep-pocketed major players using digital space to sell their products hurt a smaller SME like E-Silk Route. In response, the company pivoted from mainly a spice exporter to plant-based vegan products, demonstrating that an SME's survival prerequisite is to be ahead in the race by finding new products and markets. In this blue ocean strategy, it's not too deadly or bloody.

The response was to find a niche in the market and organize their game within that space. A niche market is ideal for an SME because, as attractive as it is, it sometimes needs to be more significant for big players to wade. As a blue ocean, it's a considerable area



Factory of 'Silk Foods Ceylon', a subsidiary of E-Silk.

Of all state institutions involved in the export sector, the EDB has been sincere in its intentions of trying to grow the export space, says Sahan. EDB has even given a grant for product development to E-Silk Ventures.

where one can profit, says Sahan. The new factory in Matale for vegan and plant-based food manufacturing was constructed on cellular manufacturing principles, allowing the factory the dynamism to change the layout to manufacture any new product in hours. While the new facility can manufacture over 200 products, the focus is on vegan and plant-based products with the ability to process organic spices and nutraceuticals. The factory provides direct employment opportunities to 85.

Sustainability is at the heart of the company's principles. Its longevity

depends on being a sustainable and responsible business entity. The working environment changes swiftly, where volatility, uncertainty, complexity, and ambiguity are its hallmarks. Through it all, sustainability is their backbone. The company's products are organically certified, packed in kraft paper pouches and glass containers, and are receiving organic certification for their plantation. The vegan venture is Avant-garde because it's relevant to the present with an emphasis on mitigating climate change and ending animal cruelty.

Having achieved tremendous success within a very short period, ingenious young entrepreneurs like Sahan are looking for an enabling state apparatus to ensure a smooth process of exporting their goods overseas. A hassle-free process is one of the best paybacks that the State could give to every operator in the export space bringing forex into the country.

The EDB has been a supportive entity that cares for exporters despite its resource limitations. Of all state institutions involved in the export sector, the EDB has been sincere in its intentions of trying to grow the export space, says Sahan. EDB has even given a grant for product development to E-Silk Ventures. The company showcased its products in 2019 and, together with the EDB, will participate in the Gulfood 2023 in Dubai. 🇱🇰

DIGITAL EXPERIENCE DESIGN

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In SMEs' energetic and flourishing universe, zMessenger is a significant disruptor. It has transformed the SME landscape with a game-changing concept blazing a trail in its sector. zMessenger serves the digital native with an intangible service. A catalyst, a nova shining an intelligible light on the endless possibilities Sri Lanka can offer the world.

zMessenger is an award-winning digital communication specialist who has taken its products and services to a global clientele. Jayomi Lokuliyana, the brains behind zMessenger, describes their journey from a mobile marketing agency to a full-spectrum digital marketing agency driven by data while helping clients adopt "personalized" marketing communications using consumer data as truly transformational.

The company began its trailblazing journey 20 years ago when mobile devices came into the hands of the consumer. It revolutionized the third screen in its entirety. Back then, the company aided businesses and brands in adapting to mobile marketing, a new revolution of that time. It was a new marketing reality confined to a tiny mobile phone screen capable of carrying the text of only 160 characters. Yet the device was influential in the consumer's hands, who had direct access to it

zMessenger is a digital communication specialist that offers customized solutions.

anytime and anywhere, which made it a mass-customized communication medium.

From that initial revolution to today, the mobile screen has changed by leaps and bounds to represent an intelligent device with tremendous capability for rich media communication. The invention of social media followed that initial communication revolution. zMessenger followed a similar journey of evolving with the times, adapting and embracing the changes of the mobile phone's advent to the digital era of endless possibilities.

The company's evolution into a digital agency was necessary for its innovation journey. Jayomi says they took the game to a different level with consumer data by working as an advertising technology company. They were the only advertising technology company in the marketing agency sphere deploying customer data platforms to understand consumers' digital footprints, develop customer profiles for clients, and aid zMessenger's services in e-commerce and digital entertainment services.

"What has remained unchanged from twenty years ago is the idea of "any time and anywhere" communication or personalized communication propagated by the mobile phone revolution, despite changes to the device or device capabilities. The fact that human beings today who are savvy cyber navigators are constantly leaving a digital trace provides powerful indications of consumer behavior and their purchasing patterns. It has become a medium to deliver the ideal communication message that could tilt consumer choices favorably, an opening that transformed zMessenger into a digital agency with the capabilities to understand consumer insights and deliver relevant messages accordingly. In the days gone by, businesses relied on one-to-one connectivity. In contrast, today, along with connectivity, consumer data helps understand the consumer and deliver only the



Jayomi Lokuliyana, CoFounder and CEO, zMessenger.

zMessenger's common platform changed online advertising for Sri Lankan companies. It's no longer a "one size fits all" practice, replaced with targeted marketing where advertisers peruse the audiences that log in to read certain publications or content and accordingly choose their message.

relevant message to them," explains Jayomi.

The opportunity to advance their portfolio occurred when companies hitherto advertising in time-tested spaces like television, radio, and print shifted their advertising budgets to international platforms like Google, YouTube, and Facebook. That shift also led to an outflow of money from the country. Witnessing this transition and its aftermath prompted Jayomi and her team to rethink their offering. Being a marketing communication company, they began questioning the motivation for local companies to turn outside for advertising when they could opt for a localized solution. The team at zMessenger, in response, created a programmatic

advertising network – AdStudio.Cloud – an aggregate platform of all local online publishers. Advertisers have access to this one-stop shop of online publishers. They can directly place their advertisements while selecting their audience.

Thus, zMessenger's common platform changed online advertising for Sri Lankan companies. It's no longer a "one size fits all" practice, replaced with targeted marketing where advertisers peruse the audiences that log in to read certain publications or content and accordingly choose their message. Consumer sentiments and online behavior may differ geographically, a piece of local knowledge that the company helps capture for its clients.

Being this specific leads to chosen advertisements appearing on the screens of targeted audiences.

Jayomi has found a profitable market for programmatic advertising in the Asian region. The fact that Asia has more people who consume content in their local languages than in English made the common platform advantageous in those markets, which allowed them to reap the maximum out of the advertising capabilities and retain advertising revenue within those countries. The programmatic advertising platform has been one of zMessenger's most significant projects.

Today, Jayomi points out that technology has shattered borders and boundaries where its tools have allowed them to understand consumer behavior anywhere in the world. Given that advantage, the company has also opened offices in Australia to cater as a digital agency and digital technology provider for international brands. The company has just concluded a large project for an Australian entity engaged in conducting sentiment analysis of Australian voters by developing a platform and helping it market the platform to get more subscribers, who are mostly politicians. The platform became key to understanding the candidates' profiles and related conversations during the State of Victoria elections.

In contrast to the traditional basket of exports, this digital products and services SME has had to navigate a rough terrain of imparting an understanding of its

immense potential. But Jayomi and her team have always believed in their strengths and weathered the storms. Given that their offering is intangible and invisible penetrating markets is challenging. Because they deal with sensitive consumer data, the company, like other exporters, has to adhere to standards such as the General Data Protection Regulation in Europe. Earning trust from international clients to access their data is another quantum leap in an ample, globally competitive space. Penetrating new markets is challenging, although the company has successfully cruised into predominantly English-speaking markets like the USA and Australia. As an SME, the company tends to focus on similar SMEs in its target markets that can't pay the major global networks for advertising space. zMessenger offers an economical choice with quality and technology for SMEs with smaller budgets.

Surviving as an entrepreneur for the last 20 years in a volatile space is the power of innovation, says Jayomi. As a leader, she has promoted a culture of innovation and an enabling environment for new ideas that come out as products and services in her organization. And that has been a big reason for its constancy as an SME. That philosophy has helped the company to launch a new digital product every year, allowing it to keep up in a rapidly changing operating place. Their game-changing strategy has been to travel to digital markets years ahead of Sri Lanka to understand consumer behavior and

changes to brand communication accompanied by new technology trends and apply those lessons to create innovative applications and solutions.

Talent is scarce, says Jayomi speaking of her dynamic young team supporting the work at zMessenger. The company works with a group of seasoned marketers, interns, and mainstream universities offering such courses. Knowledge upgrading is a must in digital marketing as evolving knowledge and trends are a ubiquitous reality where yesterday's knowledge gets upgraded or replaced. Cognizant of such facts, the company maintains a balance in recruiting people who could embrace new thinking in a largely pervasive marketplace of digital natives. Geographic savviness is also necessary to navigate new terrain and understand what those natives look at online regularly. That demands a team of individuals who can relate to a novel mindset and devise a communication strategy accordingly. Hence their strength is a fresh-blooded talent pool constantly on the go in knowledge advancement.

Sri Lanka has yet to see a unicorn emerge from its startup ecosystem, mainly when most unicorn-status companies worldwide operate in digital and technology spaces. In this regard, the state machinery can create an enabling environment for innovation and scaling. Jayomi suggests a state organization should value the innovations companies such as zMessenger make based on intellectual property rights. A mechanism to present and explore such companies' creations to the investment community globally, especially in the region, is also an area that could elevate such companies to eponymous levels. Having sailed the seas and won the battles, SMEs like zMessenger could do with some help from official channels to access markets where success is assured. Jayomi says the time is ripe for a concentrated and concerted effort to exploit the hugeness of digital technology for maximum return. ■

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GO DEEPER

Blue Economy



Featured in EDB's next issue will be Sri Lanka's potential as the next big blue economy destination worth billions of dollars. It will highlight the potential in the vastness of one of its most treasured natural resources.

The teardrop island. The pearl in the Indian Ocean. A coastline of 833 miles. And territorial waters spanning 8,300 square miles. A rich underwater "rainforest" of ecosystems abounding with coral reefs and seagrass beds. Of beaches, lagoons, mangrove forests, harbors, and estuaries.

Sri Lanka is the small island wonder of maritime transport and a treasure trove of ocean resources that had made it the explorers' pick from time immemorial. For the natives, it has been their mainstay.

Today the ocean has become a catalyst for economic growth and prosperity. It is the next significant natural capital of vast ocean resources for spurring economic development. Its potential to spur economic growth is immense.

Sri Lanka is well poised at the epicenter of that transformation because the blue economy is the eighth-largest economy in the world, with an annual value of \$2.5 billion. The island is the veritable repository

of natural capital for various feasible, low-cost, cost-efficient options and opportunities to build a blue economy. The ideal hub for many economic activities for ocean-based renewable energy, fisheries, aquaculture, mariculture, maritime transport, tourism, and waste disposal management. At the core of the blue economy are inclusive growth and environmental sustainability.

Featured in EDB's next issue will be Sri Lanka's potential as the next big blue economy destination worth billions of dollars. It will highlight the potential in the vastness of one of its most treasured natural resources. At the heart of boosting and accelerating the blue economy vis-à-vis the domestic economy is Sri Lanka's commitment to SDG Goal 14 to use the oceans, seas, and marine resources for sustainable development. To preserve coastal biodiversity and natural heritage, to preserve and encourage economic opportunities. So come on board. Sri Lanka is ready to sail. 



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