

A. General

Size of Industry (in USD) in your country/ region	Approximate number of companies in your country/region	Approximate number of workforce employed by the industry
USD 1.8 billion (export)	400+ companies	150,000+

B. What are the main challenges for the sector in your country due to C-19? Please name top three challenges in brief.

- 1. Decline in demand** - A high negative impact is anticipated in major overseas markets, such as US, European markets including UK and mature Asian markets. However, many firms also expect several business opportunities arising in future as a result of the impact of the pandemic. In a recent industry survey conducted by PwC, 81% of the respondents anticipate an opportunity to develop new product/ service offerings to address emerging market opportunities. Greater market opportunities indicated with increased use of virtual platforms. More opportunities were also anticipated in BPM, with clients becoming more receptive to virtual teams and outsourcing etc. 55% anticipate opportunities to enter new geographical markets in future.
- 2. Significant pressure on short term profitability** - Many firms have already started to feel the drop in their revenue, with 94% expecting revenue declines in the next 3 months (April to June). Most experienced a reduction or deferment of their customer orders, as well as customers requesting discounts. They are also encountering delayed payments for sales/services already delivered.
- 3. Working capital issues** - Staff salaries were a large proportion of overall cost, with most firms (81%) are challenged in meeting this obligation. Another challenge highlighted by a significant number (68%) is meeting overhead costs such as rent and utilities.

C. Employee Safety – WFH – Productivity. Give information, data, quotes wherever possible.

Measures taken for employees' health, safety and stable work environment?

Sri Lanka went into lockdown from 20 March 2020 and employees had to WFH. SLASSCOM consulted member companies, conducted a Round Table discussion with a core group of global members and published operational guidelines for member companies to help them get their businesses back up and running and workplaces operating safely once the lock down was eased. The guideline was developed with input from SLASSCOM member companies, guidelines issued by the Ministry of Skills Development, Foreign Employment and Labor Relations, Sri Lanka, and the World Health Organization, to develop best practice on the safest ways of working across the economy, providing people with the confidence they need to return to work.

Whilst majority of talent WFH there were critical staff who were required to come to office to support client operations hence, to support such companies, SLASSCOM created a list of suppliers of safety and hygiene products.

How quickly did industry adapt to WFH? What % of the employees switched to WFH within the first 2 weeks?

As a result of last year's Easter Sunday Attacks, Sri Lanka and its people were geared to operate from an "expect the unexpected" mindset. This mindset is responsible for the resilience witnessed within the ICT/BPM sector, and many other sectors in the country, when responding to the COVID-19 crisis. These events have also shaped its people and business community to be flexible and ready to accept a "new normal" with agility.

87% of the industry had minimum impact, and majority of employees were able to WFH. Only for 4% of companies required all employees to come to work, in the absence of which a total shutdown of their operations was necessary.

For insights and stories of Sri Lankan IT-BPM industry resilience please visit [Island of Ingenuity](https://islandofingenuity.com/covid/) (<https://islandofingenuity.com/covid/>)

How has WFH influenced the productivity (increased, decreased, almost the same) Please provide numbers, quotes from clients, and outcomes from customer satisfaction surveys.

Fortunately, due to its very nature, the IT-BPM sector already had some WFH protocols in place and this made it somewhat easier for the sector to adapt. However, these WFH protocols were nowhere near universal and having every employee work remotely has been extremely challenging for all stakeholders.

A majority of companies have seen an increase in productivity due to employees not having long and stressful commutes to and from work. However, there have been challenges as WHF was impromptu with the government lockdown and employees faced issues such as not having a proper location within their home for an office, having to oversee children's remote learning, no access to childcare facilities/support during the lockdown including daily household chores whilst having to work. This affected both male and female employees.

A positive from WHF has been that employees have been able to work from all over the country and not restricted to the commercial centers.

D.

Examples of where technology acceleration has already been seen and executed for example in Healthcare, enabling the government strengthen its fight against COVID19, Education tech and any other sectors that you wish to highlight.

Understanding that adapting to this new and unfamiliar landscape would need a coordinated and concerted approach, SLASSCOM took leadership and appealed to the Government of Sri Lanka to provide necessary assistance to the IT-BPM sector; in the form of allowing for essential operations to continue such as access to servers and movement of essential personnel for troubleshooting and mission critical systems maintenance during

the lockdown period where movement of people was not permitted and required special permits which were difficult to obtain.

Sri Lanka's telecommunications companies also stepped-in to assist companies by boosting bandwidth and enabling VPNs and other required services for sensitive businesses to remain operational, remotely. SLASSCOM also liaised with companies across the board within the sector to provide and connect them with all support that they needed to keep their operations ongoing without interruptions. At the start of lockdown all LEARN (Lanka Academic and Research Network) resources were provided with free data access by all Sri Lankan ISPs. This was enabled by setting up zoom servers locally to differentiate the use by lecturers and students from others. "We reached out to our members and asked them to donate spare servers" said Prof. Ragel. This enabled the public university students to continue with their studies online and attend virtual lectures.

Sri Lanka's healthcare services sector was assisted in numerous ways. For example, the free island wide ambulance service Suwa Sariya was assisted by the scaling up of the app. Health Promotion Bureau website, <http://hpb.health.gov.lk/> was revamped and updated with the latest official news and precautionary measures for the general public on COVID-19.

Sri Lanka's IT-BPM workforce must also be commended for their receptiveness and readiness to accept the challenge of transforming the work environment, literally overnight in many cases. Sri Lankans across industries have proven that they are highly resilient and resourceful, with most having quickly adapted to the changing business landscape in the face of the COVID-19 crisis.

Companies like **Mitra Innovation**, a digital advancement company, alongside moving 100% of its staff to WFH, used the crisis as an inspiration to develop new products such as their Dynamedics platform, which allows for remote and accessible healthcare services to be provided by connecting patients and healthcare professions digitally.

Calcey Technologies, a software product engineering company that quickly adapted the new paradigm. This is a company that, as part of one of its many operations, developed product components to support [Fresh Fitness Food](#) (FFF)'s efforts to scale up and [provide meals for frontline NHS workers](#) during the pandemic.

Stax Inc, a global management consulting firm in Colombo, switched to the remote working model over the span of just a single weekend. The Company supported the digital transformation of its local clients by drawing on support from its cross-functional teams of consultant and technical specialists.

CMS, provides bespoke remote IT teams to SME clients globally. They were able to provide absolute and seamless business continuity for their clients; even being able to achieve increased productivity in countries that have been hardest hit by the crisis.

Details and examples of contributions made by your industry for CSR, helping local communities

In addition to simply adapting to the new work paradigm, some companies understood that there was also a moral obligation to be a responsible member of the business community. Companies like **BISTEC Global** went the extra mile and offered free IT support and consultancy to any business that required it to set up their own WFH operations. Others like **Sixer**

Video pledged to allow companies to use their platform free of charge to continue with virtual interviews and keep their recruitment processes running. **Mitra Innovation** offered **Mitra Remote Working** for free to empower small, medium and large businesses to assisting their staff adjust to the new arrangements while maintaining productivity, choosing the right technologies and tools as well.

E.

Open ended question: Your thoughts on the role of our industry in helping economies bounce back, future road map as the pace and depth of digital transformation accelerates, challenges, vision, any other thought?

As a response to COVID-19 SLASSCOM created a war room where there was a focus group who addressed the challenges faced and also to envision and implement the industry strategy 'Drifting the curve' for building momentum to come out of the 'corner' (current situation) stronger. When race car drivers approach a bend on the track, unlike ordinary drivers who slow down, they accelerate. This is known as 'drifting the curve'. It's all about how much momentum you have when you come out of the corner. "Companies that continue to make wise investments in upskilling talent, IT modernization and digital transformation during the period of inevitable demand deceleration will emerge stronger and better positioned for growth and to serve their customers better in a post COVID-19 new norm" said Ranil Rajapakse, Chairman of SLASSCOM and Executive Vice President & Chief Operating Officer of IFS.

The initiative taken by SLASSCOM are,

1. Industry Preparedness for commencing work with proper health safety measures
- Created a best practice guideline for member companies.
2. Showcasing IT-BPM Industry to Banks - Make banks understand why they need to lend to the IT/BPM industry. As an industry to approach banks and request for concessionary rates and financing based on cashflow from confirmed orders in hand instead of traditional collateral. This included conducting a series of webinars to members for them to understand the available financing options. Partnered with PwC to carry out a survey to assess the impact of COVID-19 on business continuity in the industry.
3. Created a website as a resource centre containing COVID-19 related information and SLASSCOM initiatives and other sources.
4. Continued to support the industry branding campaign globally to help generate demand. For example [Channel News Asia on Island of Ingenuity](#) published in April 2020, and enabling virtual match making for member companies in target markets such as the U.K., the Nordic Region, U.S.A, Japan, and Australia.
5. Extend graduation date for university students – due to anticipated impact on limited opportunities for internships and new hires SLASSCOM proactively engaged Universities and collaborated with student bodies such as AIESEC to curate a new programme to upskill these IT graduates and make them industry ready when demand picks up.

6. Industry bench initiative to utilize spare capacity in member companies by creating a hiring board on Facebook for SLASSCOM companies to advertise vacancies and spare capacity which will be a resource centre where SLASSCOM would like to collaborate to share resources and project opportunities.
7. Secure bandwidth from the Telcos to assist companies with WFH with in-built productivity measurement tools.
8. Free webinars were conducted with participation from across the country, companies, and students – Digital IT/BPM Week with participation of over 2,600 university students and 13,000 views on Facebook, Quality Week with participation of over 1,000 and 3,000 views on Facebook, Transforming Employees to WFH and Challenges, COVID-19 Crisis and Sri Lanka BPM Industry Response - "Drifting the Curve", Post Covid19 Challenges and How Innovation & Technology can help, and Making Workforce Ready - post COVID-19.
9. Scholarships awarded to 31 students in June 2020 for the SLASSCOM Bridge Boot Camp entry level programme for school leavers.
10. Students were kept engaged by the TechKids programme via the online platform reaching over 800 students across the country.