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## Keynote Abstract-II

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### **Business Transformation: The Trends in Sri Lankan Corporate Sector, a Case Study**

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Many philosophers and business Gurus often stated that the survival and growth of any business depend on its capabilities to transform and adapt to any circumstances with internal and external eco-environmental changes. The concept of business transformation is not just a 21st-century buzzword; it's a strategy that all CEOs globally need to embrace. Why? Because business transformation is about intent, identifying what needs to change and strategically updating from within in a focused way. At the start of business, many leaders may not be aware of this transformation requirement. But after some time, business leaders understand that it is imperative for survival and to build a more successful and resilient business. In a nutshell, business means change with continuity and transformation with innovations. This is the only way to push business firms to the next higher level. Today business transformation mainly involves three aspects:

- Operational transformation – doing current things cheaper, faster, and/or better, often with the assistance of digital technology. This seems to reflect the restrictive definition of change management.
- Operational model transformation (Core transformation) – doing what you've been doing but in a completely new way.
- Strategic transformation – fundamentally changing the essence of the organization. Poorly done, it's often called foolhardy or destructive; done well and its 'brave' or 'revolutionary.'

Objectives of the paper are to understand the level of awareness among the Sri Lankan Business Leaders on the importance of business transformation, to ascertain the directions and tactics which are followed by the Sri Lankan companies in business transformation, to identify the main barriers for the business transformation by the Sri Lankan companies with the current turbulent business environment, to trace the possible future directions of this business transformation of the local companies and to share the final remarks made by the Sri Lankan business leaders on this aspect.

110 CEOs targeted but in the absence of CEOs, CFOs, CTOs, CIOs, and local reps interviewed. But for this presentation, only 100 respondents' data used. Sectors covered: Large scale and medium scale firms only. The main targeted areas are the manufacturing and services sectors. The manufacturing sector mainly tea, rubber and coconut, garment and apparel. Service sector mainly Telecom., IT and Software, finance, insurance, commercial and development banking, and tourism, aviation, media and hospitality sectors covered by looking at their contribution to the overall economy. Small, Micro and Cottage level set-ups ignored to minimize the complexity of the research and a separate study is on-going for these setups. Literature survey and structured interview sessions were used to collect data with the help of a questionnaire. Collected data analyze based on the thematic analysis and possibility will be explored to use grounded theory or advanced multivariate data analysis techniques. The sample was selected by using the convenience sampling method. For this presentation, only use the descriptive data analysis part. The total sample is 100 firms. Manufacturing sector 30 firms. These manufacturing firms consist of Tea Processing and exports 05 firms, Rubber Processing and exports 10 firms, Coconut Processing and exports 05 firms and Garment and Apparel 10 firms. ICT and Software sector 35 firms. These firms consist of Telecom 03 firms, It 07 firms and Software 27 firms. Finance, Insurance and Banking sector 20 firms. These firms consist of finance 05 firms, Insurance 03 firms and Commercial and Development Banking 12 firms. Tourism/Hospitality/Airline/Media 15 firms. These firms consist of 08 Hotels, 03 Airlines and 04 Media firms.

This study shows the directions and tactics which are followed by the Sri Lankan companies in business transformation are digital transformation of customer experience, operational processes and business models, new tactics for tax, legal and regulatory risks, acceptance of Gig economy with new HR practices, work norms and organizational changes, cooperation/ collaboration with all stakeholders, and mergers and business acquisitions, business diversification and outsourcing for more resilient and core areas, business process changes for cost-minimizing and efficiency improvements, usage and adoption of analytics with changes in overall supply chains, AI, machine learning and ergonomics adoption and overall transformation of all business functional areas for more innovations.

This study found that the most resistant business areas for change in the transformation process are changing the organizational culture, adoption of new models for financial management, adoption of new models for talents acquisition and management, adoption of new models for marketing and sales management, adoption of new models for change management, adoption of a

new business model for transport, adoption of new models for R&D management, adoption of new models for ICT, adoption of new models for project management, adoption of new models for knowledge management and adoption of new models for supply chain coordination.

This study shows the biggest barriers to transformation of a company are legal, tax and regulatory issues, organizational complexity, uncertainty about the future business environment, lack of stakeholder's support, fear of disruption for customers, problems with change management capabilities, rigid techno and organizational setups, costs, profitability and efficiency issues and lack of commitment from mid-level management. This study found that the strategy shift and possible future directions with the current turbulent business environment are International distant markets to regional and local markets, improvements in good governance, transparency with accountability in all aspects in business, business diversification to capitalize emerging new business opportunities created by the pandemic, adoption of many risks management strategies with contingency plans, seeking government monetary, fiscal and other benefits and concessions, in-person to on-line mode adoption in all possible business functions and move to Gig economy model in HR.

Sri Lankan key business leader feels that,

- Business Transformation is the process of fundamentally changing the systems, processes, people and technology across whole functional business areas or business units to achieve measurable improvements in efficiency, effectiveness and stakeholder satisfaction, mainly with customer satisfaction focus.
- Business transformation is about identifying techniques or processes that are not being serviced to their maximum capacity and how alternate solutions can be applied to digitize or streamline technology to further gain market share, increase revenue and customer satisfaction or reduce inefficient expenditure.
- Business transformation is a change management strategy that can be defined as any shift, realignment, or fundamental change in business operations to make changes to processes, people, or systems (technology) to better align the company with its business strategy and vision.

- Any type of transformation may bring turbulence in our companies, but we know how to manage it with our experience with the right change management strategies. With our markets growing and expanding daily, prioritizing effectiveness and efficiency in our systems and the employees who use them is absolutely paramount to push business to the next higher level.
- It's important to think of business transformation as an evolving strategy rather than a time setting by Sri Lankan company leaders. Now higher management of many Sri Lankan companies knows that no one cannot escape from change and it is paramount in any business. Therefore, leaders must run their companies with a transformation mind setup.

Today business success is measured not only by economic and financial gains. It involves many other social, environmental, and morality aspects. In order to achieve this complete success business transformation with change is paramount. Sri Lankan key business leaders seem like in fore-front when it comes to transforming their businesses even very turbulent situations by adopting the world-class best practices with right bench markings without a second to any other developed nation. “We have realized that if we don’t transform the way we do business, we are going to die. It’s not about changing the way we do technology but changing the way we do business.