TERMS OF REFERENCE FOR THE RECRUITMENT OF THE SECTORAL EXPERT (SE) TO PERFORM THE NATIONAL IT/BPM EXPORT GROWTH INITIATIVES

BACKGROUND

ICT/BPM industry growth program of Sri Lanka – IT Initiative program is a culmination of multiple programs toward growing national export revenues for the IT/BPM industry. The areas of focus stem from the National Export Strategy (NES), ICTA and SLASSCOM recommendations and the 2018 National Budget. The goal is for the IT/BPM industry to grow to USD 5 billion by 2022. The Government of Sri Lanka (GoSL) has made a provision of LKR 3 billion over the next five years towards this goal. The initial allocation of LKR 300 million is already approved for 2018 within the purview of the Export Development Board (EDB), and the effective utilization of this budget and the outcomes generated would determine the next steps.

ICT/BPM exports counted as the 5th largest export revenue earner of the country and had an upward growth over the past ten years though we had some export drops in other product sectors. The industry's Vision 2022 aims it to become among the top 3 foreign exchange earner of the country, with a USD 5 billion target, creating 200,000 direct jobs and 1,000 start-ups. The ICT/BPM sector has been identified as the key focus sector in the National Export Strategy (NES) operating at present through the Ministry of Development Strategies and International Trade (MODSIT).

Sri Lanka, with the existing limited resources must focus of high value-added product and services, where we could utilize the skills and capabilities of the workforce. We also need to build on the global recognition as a preferred destination for outsourcing services.

On this background EDB with the recommendations and suggestions of the ICT/BPM industry experts has identified, three focused initiatives for the Sectoral Expert (SE) to initiate, manage, and monitor in order to grow the industry to USD 5 billion by 2022.

GOALS AND OBJECTIVES

The Sri Lanka Export Development Board is seeking to contract a qualified company as Sectoral Expert (referred hereafter as SE) who will drive this program through the next 5 years. From a contracting perspective, it will be a one year initial engagement from July 2018, subject to renewal based on meeting agreed performance measures for the first year.

DESCRIPTION OF THE CONTRACT.

The Sectoral Expert shall be required to project manage the execution of the programs in order to achieve objectives of the key initiatives mentioned below. More details of each area are provided in the appendices.

Sub Initiative 01: The Champion Builder Initiative

Main Objective of the Program
Design and execute programs to select and enable accelerated growth of high potential companies. (Indicative program budget for year 1 is LKR 100 million).

About the program
The purpose of this initiative is to enable qualified product and services companies to collectively grow exponentially on average of 40% YoY through a series of financial and non-financial interventions managed by the SE. The USD 5 billion target becomes realistic only if a sufficient number of companies have an exponential growth trajectory.

Sub Initiative 02: Sri Lanka ICT/BPM Country Branding Execution (Digital Component)

Main Objective of the Program
Execute "Island of Ingenuity" digital branding and promotion and create framework to enable in-bound lead conversion. (Indicative program budget for year 1 is LKR 35 million).

About the program
This initiative would focus on developing a strategy to implement a well-structured digital marketing campaign (e.g. search engine optimization, social media marketing, email marketing, etc.) to create awareness of the Island of Ingenuity national brand of the Sri Lanka ICT/BPM sector, reinforce Sri Lanka as a preferred supplier for ICT products and destination for outsourcing ICT/BPM services or setting up captive operations, and create demand through targeted lead generation campaigns. Thus, the responsibility of the Sectoral Expert would be to identify and contract a digital marketing company through competitive selection who is qualified to execute the digital marketing campaign and monitor the progress and outcomes.

Sub Initiative 03: Sri Lanka ICT/BPM Country Branding Execution (Non Digital Component)

Main Objective of the Program
Architect and execute "Island of Ingenuity" non-digital branding and lead generation. (Indicative program budget for year 1 is LKR 41 million).

About the program
Key objective of the program is to increase the awareness of the Sri Lanka ICT/BPM capabilities and create business linkages in targeted foreign markets for Sri Lankan ICT products, outsourcing ICT/BPM services, or setting up captive operations in Sri Lanka. This objective will be achieved through working with identified global advisory firms and institutions to position Sri Lanka in appropriate rankings, conducting country specific studies/bench marking reports, evaluating and selecting outward missions, organizing inbound tours for qualified prospects, media, and other influencers, PR, market research, and any other programs designed to achieve these objectives. Therefore, the responsibility of the

Sectoral Expert would be to prepare EOI/TOR for service providers, research and outreach to identify qualified service providers, coordinate receipt of proposals, manage selection process, prepare project plan, monitor and report on execution. and recommend on selection of the respective service providers and prepare implementation plans to achieve the expected deliverables.

METHODOLOGY

- Determine the Program Objectives, Program Deliverables, Implementation Mechanisms
- Meet with relevant stakeholders such as EDB, MoDSIT, SLASSCOM, FITIS, etc.
- Understand the work already done as part of the NES by ICTA, EDB, SLASSCOM, FITIS, and other institutions relating to these programs
- Agree on the priorities, objectives and high-level budgets for year 1 to 5
- Agree on the key outcomes for year 1, which would be the basis for renewing Sectoral Expert's services
- Publish the programme governance structure including the reporting structure, roles, commitments, procurement and disbursement processes, SLAs to be followed to drive programs forward.

AUTHORITY AND ACCOUNTABILITY

EDB will be accountable for this program and will be working together with the Sectoral Expert to implement, whereas the ICT/BPM advisory committee is to advise and guide EDB. The main responsibility of the Sectoral Expert would be to project manage the execution of the program with adequate checks and balances and ensure that the expected deliverables contracted will be achieved through the budgets allocated for the respective activities.

- The Sectoral Expert would have access to the Chairperson EDB and a Senior Representative from MoDSIT to escalate issues restricting progress.
- The monthly project progress review will have the advisory committee representation to evaluate program effectiveness, monitor progress, and provide consultations when necessary.

DESCRIPTION OF SERVICES

The Sectoral Expert will own end-to-end planning execution, monitoring, progress reporting and escalation management of this programme.

- The Sectoral Expert should develop project plans to implement the above mentioned three initiatives. The plans should be reviewed and approved by EDB and the ICT/BPM advisory committee.
- The Project plan will outline milestones, deliverables, responsibilities, Service level agreements/SLAs and specific information and resource requirements across the programs identified within this program.

- SE will be responsible for creating awareness among stake holders and publicizing the schemes/ programmes and managing the evaluation of applications/proposals of eligible companies.
- The Sectoral Expert can obtain services for specific initiatives from specialist service providers following due selection process and approval from the EDB and the ICT/BPM advisory committee
- Monitoring progress of the programme and take corrective actions where necessary to achieve planned milestones
- Propose course corrections and suggestions for new initiatives
- Preparation of periodic project status reports (minimum monthly) on the activities and progress of the project, including key risks and risk mitigation
- Coordination with all stakeholders
- Coordination of the review processes through the relevant evaluation committees.
- Carrying out relevant administration functions to implement the project including document retention, creating of standard templates.
- Ensuring reporting requirements are met on time
- The Sectoral Expert cannot sub-contract its scope of work

TARGET OF THE PROGRAM

The Champion Builder Initiative
- High growth potential companies that are able to achieve USD 2 billion by 2022 identified
- Suitable service providers for targeted interventions for the selected high potential companies
- USD 2 billion by 2022

Sri Lanka ICT/BPM Country Branding Execution (Digital Component)
- Content by sub-sector developed and edited
- Marketing materials designed
- Supporting videos produce
- Digital marketing campaign launched
- Framework for in-bound lead conversion designed

Sri Lanka ICT/BPM Country Branding Execution (Non Digital Component)
- 10 outward missions in targeted markets facilitated through a suitable matchmaking consultant.
- Organize inbound tours for ~10 Chief Information Officers (CIO) from identified top tech firms to showcase talents and skills and experience the potential in Sri Lanka.
- Procure/commission country specific studies/bench marking reports
- Identifying prominent international ICT/BPM events and sponsoring for the side events (as Japan IT Week, World Mobile Congress, Barcelona, Gartner Symposium, Australia.)

OVERALL KPI OF THE PROGRAM

Achieving USD 5 Billion in 2022, 200,000 direct jobs, and 1000 startups. Above targets should justifiably contribute towards achieving over all KPIs.

REPORTING REQUIREMENTS

The Sectoral Expert is expected to provide the following reports on progress.
1. Programme approach describing key activities, deliverables and timelines - to be published within 6 weeks of award. The first draft of activities to be available within 4 weeks.
2. Monthly Progress reports describing achievements, disbursements and bottle-necks
3. Host a monthly progress review meeting with the EDB and the advisory committee.
4. Monthly financial statement for approval

QUALIFICATIONS

The firm should clearly demonstrate the legal name, organization structure indicate explicitly expression of interest in the assignment and demonstrate the understanding of the assignment.

The firm should demonstrate a proven track record of aggressively driving and executing similar programs and have a well-resourced team that has capacity to design and come up with the requisite proposals that can accelerate the outcomes of the key initiatives.

DURATION

The contract will initially be for one year with an option to renew for next four years.

METHOD OF SELECTION AND EVALUATION CRITERIA

- Only shortlisted companies through the EOI process will be requested by the EDB to submit detailed proposal by 4th July 2018.
- The shortlisted companies will present their proposals (credentials, successful case studies, capabilities of key personnel who will be involved in the assignment, approach to this assignment with timelines and financial porpoposal for their scope of work) to a selection committee comprising of members from EDB, advisory committee.
- The selection of the suitable sectoral expert to be decided by a panel of expert appointed by EDB.
- The evaluation will be on a QCBS basis, with 80% allocated for the technical proposal and 20% to the financial proposal.
- The Technical proposals will be evaluated based on the past track record and relevant experience of the company, the level of experience of the team, the capability to provide a world class solution to the tasks and proposed approach based on the following scoring method:

Criteria	Score
Detailed financial proposal of Sectoral Expert for the description of services	20
Detailed plan with timelines and approach for the 3 initiatives including their sub initiatives.	40
Proof of ability providing details of sectoral development initiatives for Sri Lankan products /services undertaken and delivered at national or sectoral level with sufficient details. Also, proven track record of strategic planning and implementing of similar activities including results achieved	20
Profiles of proposed team members with required qualification and experience based on the detailed plans.	20
TOTAL	100

Annexure 01 - Detailed Description of the Initiatives.

Initiative 01 - The Champion Builder initiative

Concept of the Champion Builder Program

Background:

The Government of Sri Lanka has allocated approximately USD $20 million (LKR 3 billion) towards developing the scale and capabilities of IT Products/Services and BPM Services companies engaged in exports. The purpose of this proposal is to describe specific interventions to address the US$2 billion gap in achieving the USD 5 billion target by 2022.

Launch a 'champion builder' programme targeting exponential growth firms, with Sectoral Expert, call for applications, and credible and robust selection criteria. This programme will target two groups based on revenue/growth achievements:

- Companies with US$20 million in revenue that aim to reach USD100 million
- Companies with US$2 million in revenue that plan to reach USD10 million

Proposed plan of action:

- Facilitate a call for proposals/applicants and manage the receipt of these for the respective initiatives
- Coordinate the review and evaluation of proposals/applications against the eligibility and selection criteria prescribed
- Make recommendations for disbursements for service providers and companies
- Assess the results and identify the pool of companies
- Interview shortlisted companies to identify their needs and priorities
- Develop individual trade support plan for companies
- Provide technical and financial support for business development to 'champion builder' firms through a transparent process, namely with:
  - Access to consulting services: market orientation, product positioning, and IP management
  - Skills and capacity development: specialized training programmes on disruptive/emerging technologies, grants and subsidies for process certification and fast-track process for work visas
  - Marketing and sales: promotion and advertising campaign, subsidies to facilitate trade visits and marketing materials
  - Assistance with scaling for growth: consulting on merger/acquisition strategies, setting up joint ventures and partnership in target markers, introduction to investors and cost-effective access to office space.

Methodology

Implement Champion Builder Initiative
- Create the approach, selection criteria, disbursement model and initiate the program:
  - Expand on the objectives and priorities identified in stage 1
  - Publish the eligibility/screening criteria for product and services companies and call for applications
  - Publish the types of assistance programs available and the process of application (Note: it is expected that the types of support mechanisms be kept flexible and adjusted to meet industry demands, within the overall constraints of the program)
- Program implementation
  - Validate applications and implement company specific assistance programs and disbursements
  - Implement market entry and business development initiatives (e.g. establishing overseas market presence)
- Performance monitoring and reporting
  - Provide visibility across company specific initiatives, industry-wide initiatives, disbursements and outcomes

Creating the enabling environment for product companies (i.e. IP, licensing, subscription based)
- Enabling the organization to explore in-organic growth options
- Influence board level changes by introducing/inviting new Board Members, funding for paid Board Members
- Mindset change through innovation frameworks which encourage exponential growth (e.g. Singularity University and ExO)
- Providing Market Entry support at a lower cost/risk
- In-country business facilitation by having a location presence in other markets to represent the industry's interests
- Partner with local facilitators in-country (contract/lead based)
- Matching investment by Government against investments made by the individual companies by an investment fund

Eligibility criteria for product companies
- A company registered in Sri Lanka
- The eligibility criteria proposed is to both qualify the candidate and also ensure that public funds are used accountably as this program becomes mainstream.
- The company should have at least one successful market entry outside Sri Lanka
- Meet the threshold for the Matching Investment Capacity (minimum USD 20,000 proposed) to bring tangible results
- Company to democratize wealth by exploring and providing Employee Share Option Schemes (ESOPS) for all employees (expected at a later stage) – not an entry criterion

Creating the enabling environment for services companies (IT, BPM and KPO)
- Launch program to proactively approach MNCs to create "captive innovation centers" for development and R&D initiatives. Create a supporting environment for this through Government support on land/infrastructure concessions E.g. HDPL, Sysco Labs, IFS
- Promote Build-Operate-Transfer (BOTs) based services. E.g. model used to create the Pearson (then eCollege) business through Virtusa
- Matching investment by Government against investments made by the individual companies through an investment fund
- Engage with international agencies such as NORAD, Swedfund.se, Seed Forum Norway etc. to build connections and capacity

Eligibility criteria for services companies
- A company registered in Sri Lanka
- The eligibility criteria proposed is to both qualify the candidate and also ensure that public funds are used in an accountable way
- Referenceable global client with a 2 year relationship, and at least 10 FTEs engaged within that project/program
- Have a minimum of 50 FTEs at the point of making the application
- Meet the threshold for the Matching Investment Capacity (minimum US$20,000 proposed) to bring tangible results

Initiative 02 - Sri Lanka ICT/BPM Island of Ingenuity Country Branding Execution (Digital Component)

Proposed plan of actions:
- Call for applications for suitable digital marketing agency.
- Develop a comprehensive digital marketing strategy to promote Sri Lanka ICT/BPM brand – Island of Ingenuity in key targeted markets including framework for in-bound lead conversion and implement it through the service provider.
- To develop a comprehensive Public Relations (PR) strategy for the project and implement it with the selected digital marketing agency.
- Research and facilitate the development of content/success stories and case studies, examples of Sri Lankan ingenuity, innovation facts and figures to be used for marketing materials with the digital marketing agency.
- Coordinate and launch the different elements of the country branding program
- Execute on initiatives stated in the Brand Rollout and Promotion
- Expand on the objectives and priorities already identified
- Perform other necessary services related to the digital marketing agency such as the achievement of the overall branding, marketing and sales objective of the project.
- Follow up, monitor and review of the above branding marketing strategy and make recommendations to EDB and ICT Advisory Committee on the areas to improve to achieve better results.

Initiative 03 - <u>Sri Lanka ICT/BPM Country Branding Execution (Non - Digital Component)</u>

Proposed plan of actions:

- o Prepare a TORs and call for proposals to hire suitable service providers to perform outward missions in targeted markets.
- o Evaluate and select high impact outbound missions that will help position the country most effectively and enable lead generation
- o Conduct in depth research on the country positioning reports and make recommendations for the management with the competitive advantages.
- o Work with identified global country positioning authorities to place Sri Lanka in appropriate rankings and get published. (such as AT Kearney, Gartner, Mckinsey).
- o Research and perform market analysis and investor analysis to arrange Outward missions. The consultant should provide recommendations suitable companies and service providers to conduct such events/meetings.
- o Organize well planned inbound tours for CIOs of MNCs to promote, educate and convince the Sri Lanka ICT/BPM capabilities with the objective of encouraging foreign investment and/or outsource their ICT/BPM requirement to Sri Lanka
- o Identifying prominent international ICT/BPM events to showcase Sri Lankan capabilities (Japan IT Week, World Mobile Congress, Barcelona, Gartner Symposium, Australia, etc.) and sponsoring/organizing side events for greater impact.

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