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இலங்கை ஏற்றுமதி அபிவிருத்திச் சபை
SRI LANKA EXPORT DEVELOPMENT BOARD
Ministry of Development Strategies and International Trade



INFORMATION DOCUMENT FOR CHAMPION BUILDER INITIATIVE

Background

ICT/BPM industry growth program of Sri Lanka – IT Initiative program is a culmination of multiple initiatives 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 industry goal for the IT/BPM industry exports is to reach US \$5 billion by 2022. As such, the GoSL has made a provision of LKR 3 billion in an effort to generate US \$5 billion through ICT/BPM industry exports by 2022. 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 the number one foreign exchange earner of the country, with US \$5 billion in revenue, 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) and the Harvard PDIA project 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 to accelerate the journey towards US \$5 billion revenue by 2022.

1. **Champion Builder Initiative:**

Identify and enable companies with exponential growth potential who can help collectively boost industry export revenue by US \$2 billion.

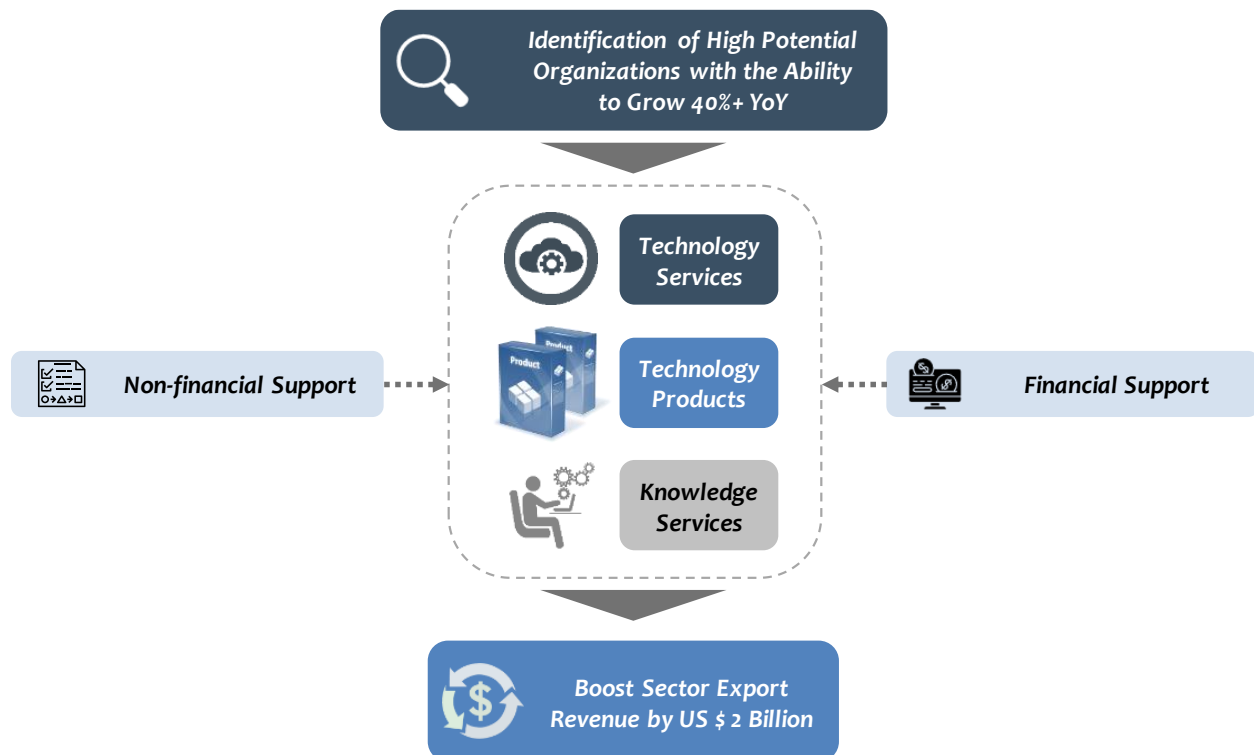
2. Sri Lanka ICT/ BPM Country Branding Execution (Digital Component):

Promote the “Island of Ingenuity” brand through a well-structured digital marketing campaign (social media, search engine optimization and management) to reinforce Sri Lanka as a preferred destination for ICT/BPM services and create demand through targeted lead generation campaigns.

3. Sri Lanka ICT/ BPM Country Branding Execution (Non-digital Component):

Promoting the “Island of Ingenuity” brand through non-digital mediums to increase the awareness of Sri Lanka’s 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.

Champion Builder Initiative



Background

The Champion Builder program will focus on identifying and selecting high growth Technology Product/ Services and Knowledge Services companies in the sector and enable these firms grow exponentially by providing financial and non-financial support. The primary objectives of the initiatives are as follows:

1. Build a cohort of firms with exponential growth potential

2. Implement an industry support program focused on growing champion firms and the overall industry
3. Boost the sector export revenue by US \$2 billion to reach US \$5 billion by 2022.

To achieve the desired industry growth and program outcomes, it is essential to provide support and guidance to selected Champion companies on branding, licensing, and IP while educating them on global standards that have to be met to improve their competitiveness in the global context. Furthermore, equipping companies with essential intelligence on trade development and providing trainings, tools, and financial assistance is critical for sustained growth over the next five years.

Champion Builder Industry Support Initiatives

The initiative has both company-level assistance programs specifically targeted at the selected Champion companies as well as industry-wide initiatives targeting the broader industry.

Company-level Assistance Programs

A set of financial and non-financial support initiatives have been identified, which will be further refined based on the feedback from selected Champion companies—to include specific needs of each company.

- Provision of Non-Financial Support:
 - **Market access:** market orientation, market feasibility assessments, go-to-market strategies, cost-effective access to office space etc.
 - **Skills and capacity development:** specialized training programs on disruptive/emerging technologies, grants and subsidies for process certification and fast-track process for work visas
 - **Marketing and sales:** promotion and advertising campaigns, subsidies to facilitate trade visits and marketing materials
 - **Strategy and growth:** consulting on strategies, setting up joint ventures and partnership in target markers etc.
- Provision of Financial Support:
 - Grants and subsidies
 - Identification of capital infusion opportunities

Industry-wide Initiatives

These initiatives will focus on bringing investments into the country as well as drive global expansion of local based companies.

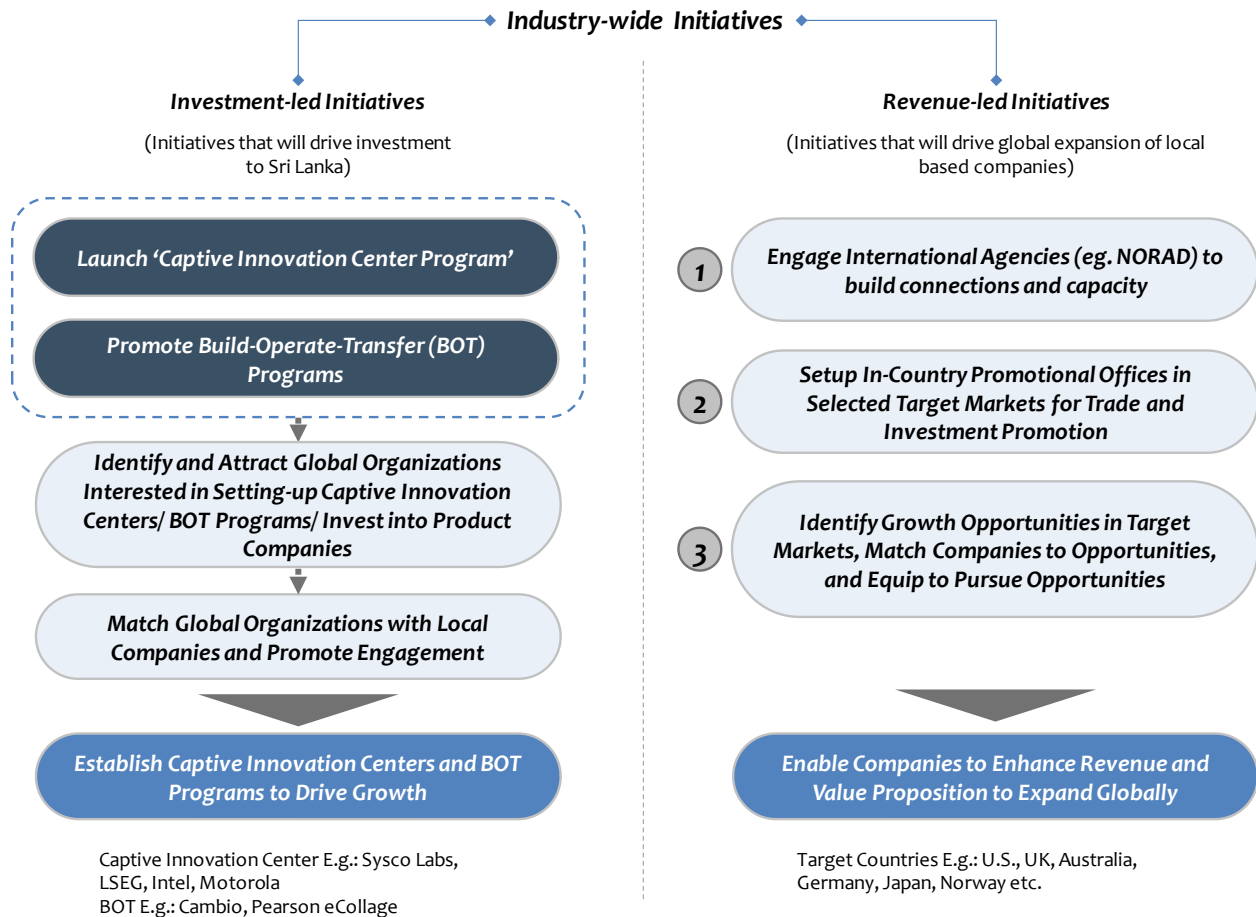
Investment-led Initiatives

- Launch a “Captive Innovation Center Program” to position Sri Lanka as the preferred destination for development and R&D initiatives and attract large enterprise investment.

- Identify and promote “Build-Operate-Transfer” (BOT) projects, establish a framework for BOT programs, and facilitate the execution of programs.
- Provision of infrastructure concessions to select BOT and Captive Innovation center opportunities.

Revenue-led Initiatives

- Build connections and capacity by engaging with international bodies such as NORAD, Swedfund.se, Seed Forum Norway etc.
- Facilitate in-country business by establishing promotional offices in other markets to represent the industry’s interest.
- Trade and investment promotion by partnering with in-country facilitators.
- Introduction of innovation frameworks and identify key opportunities for Champion growth.



Recruitment, Selection, and Management of Champion Companies

Recruitment and selection process

1. The EDB will publish an advertisement calling for Expression of Interest (EOI).
2. Once the EOI advertisement is published, Companies can indicate their interest in participating in the Champion Builder program.
3. The EOI must be submitted in hard copy to the EDB AND a soft copy uploaded on the Island of Ingenuity (IOI) portal (<https://islandofingenuity.com/champion>).
4. The EOIs will be evaluated using a set of pre-defined eligibility criteria.
5. Only selected companies through the EOI process will be requested by the EDB to submit detailed proposals by the date specified in the RFP selection letter sent to selected Champion.
6. During the RFP stage, Champions will be asked to submit additional information pertaining to organizational structure, management team, products/ services offered, project references, global partnerships, and financial details.
7. Based on the submitted proposals, the Sectoral Expert will conduct interviews/ discussions with senior management of Champion companies to understand company specific requirements.
8. A pilot program with Tier 1 Champion companies will be conducted in Year 1, learnings of which will be used in full roll-out of the initiative in Year 2.

Eligibility Criteria to Enter the Champion Builder Program— Technology Product Companies

1. An annual turnover of at least US \$ 750,000 based on the most recent audited report
2. Minimum 50% of total revenue is generated outside of Sri Lanka
3. Minimum 10% Y-o-Y growth in annual business spending* within Sri Lanka, for each of the past three years **OR** products are held by an entity registered in Sri Lanka/ majority ownership is by a Sri Lankan
4. **Mandatory:** Ability to match 50% of funds provided by the Government

Eligibility Criteria to Enter the Champion Builder Program— Technology Services Companies

1. An annual turnover of at least US \$ 1 million based on the most recent audited report
2. Minimum 50% of total revenue is generated outside of Sri Lanka
3. Minimum 15% Y-o-Y growth in annual business spending* within Sri Lanka, for each of the past three years
4. **Mandatory:** Ability to match 50% of funds provided by the Government

Eligibility Criteria to Enter the Champion Builder Program— Knowledge Services Companies

1. An annual turnover of at least US \$ 500,000 based on the most recent audited report
2. Minimum 50% of total revenue is generated outside of Sri Lanka
3. Minimum 15% Y-o-Y growth in annual business spending* within Sri Lanka, for each of the past three years
4. **Mandatory:** Ability to match 50% of funds provided by the Government

*: Only consider following expenses for total business spend calculation:

- Staff salary
- Staff training
- Rental expenses
- Corporate tax expenses

RFP Evaluation Criteria

Potential Champion companies that meet the eligibility criteria will be further evaluated prior to selection into the program.

1. Clear growth plan: Champions should have a clear view of the future direction and the expected growth trajectory
2. Product/ Service Competitiveness: Products/ Services should be competitive in the global context
3. Management experience: The management should have a clear Purpose and a solid track-record of driving growth
4. Global client partnerships: Champions should have established relationships with global partners

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