

A case study in Rural BPO

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Sri Lanka

“ Sri Lanka is, in many ways, a hidden gem for outsourcing uniquely positioned to offer companies highly skilled talent and a strong business environment at very competitive costs. ”

ATKearney

“ Southern China has its assembly plants. India has customer support centers, research laboratories and low-cost lawyers. And Sri Lanka's contribution to global outsourcing? Accountants — thousands of them, standing ready to crunch the world's numbers. ”

The New York Times



Why Sri Lanka for Accounting?

Sri Lanka Ranked Highly

in Multiple International Rankings

#1

Outsourcing destination of the year 2013, 2014 & 2019

National Outsourcing Association - UK

#1

Globally in Financial Attractiveness, Global Services Location Index

AT Kearney 2019

#2

In South Asia, Global Competitiveness Index 2019

World Economic Forum

#2

In South Asia, Global Innovation Index 2019

World Intellectual Property Organisation (WIPO)

#1

Lonely planet's destination of the year - 2019

#4

In South Asia, Doing Business Index 2019

World bank Group

10

Top 10 in Asia for Network Readiness Index

World Economic Forum

Top

10

Top 10 in Asia pacific of Gartner's 30 Leading Locations for Offshore Services (2010-2011).

Some Global Brands Powered by Sri Lankan Talent and Technology





 **infomate**
A JOHN KEELLS GROUP COMPANY

John Keells Group - Confidential

Your Smart Extended
Work Force

Infomate



- First Shared Service Center in Sri Lanka



- 18 years experience



- ISO 27001 certified for information security practices



- Diverse industries



- Socially responsible organization

- Wholly owned subsidiary of John Keells Holdings PLC
- A team of 400 Professionals
- Close affiliation with Global Accounting bodies
- Pioneer of Sri Lanka's First Rural BPO currently supporting 03 centres across Sri Lanka
- Over 100+ clients both local and worldwide
- Expertise multi-platform expertise



Sri Lanka's Software and Services Industry

Infomate Finance & Accounting Service Portfolio



Procure to Pay

- Vendor master maintenance
- Workflow solution
- Payment processing
- Spend analysis
- Vendor Reconciliations



Order to Cash

- Customer Masters
- Orders
- Customer invoicing
- Receipting
- Debtors Management



Fixed Asset Management

- Asset masters
- Acquisitions
- Disposals
- Asset Register maintenance



Record to Report

- Bank Reconciliations
- General Ledger Management
- Balance sheet analysis
- Variance analysis
- Fraud Analytics
- Management Dashboards and Customized MIS



Financial Services & Analytics

- Credit Evaluation and Affordability Calculations
- Identity checks
- Anti-Money Laundering Checks
- Evaluation of Application Forms for Loans
- Compilation and Summarization for Underwriters.
- P & L Analysis
- Divisional Reporting





A Case Study in Rural BPO

John Keells Group - Confidential

The Agricultural Village of Mahavilachchiya



Property



The BPM Unit



MAHAVILACHCHIYA BPO INITIATIVE

the village

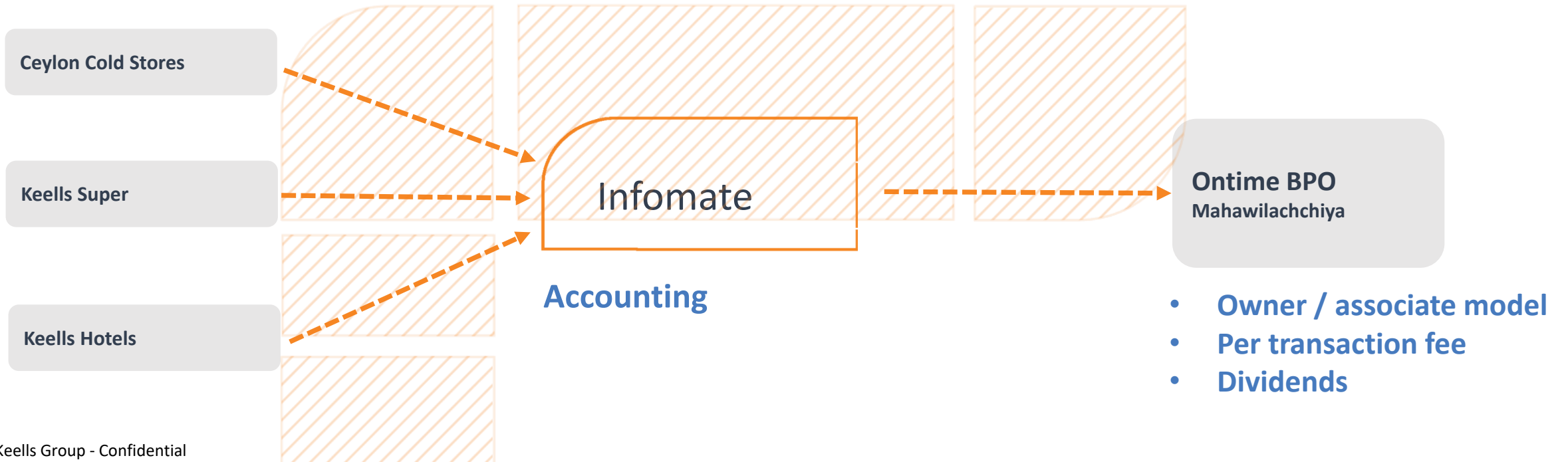


#Mahavilachchiya

- 15 Associates
- Over 100 employed over 12 years
- 54 functions on SAP
- 650,000 transactions a year
- Accuracy score of 99.87%
- 94.3% completed in agreed Turnaround times

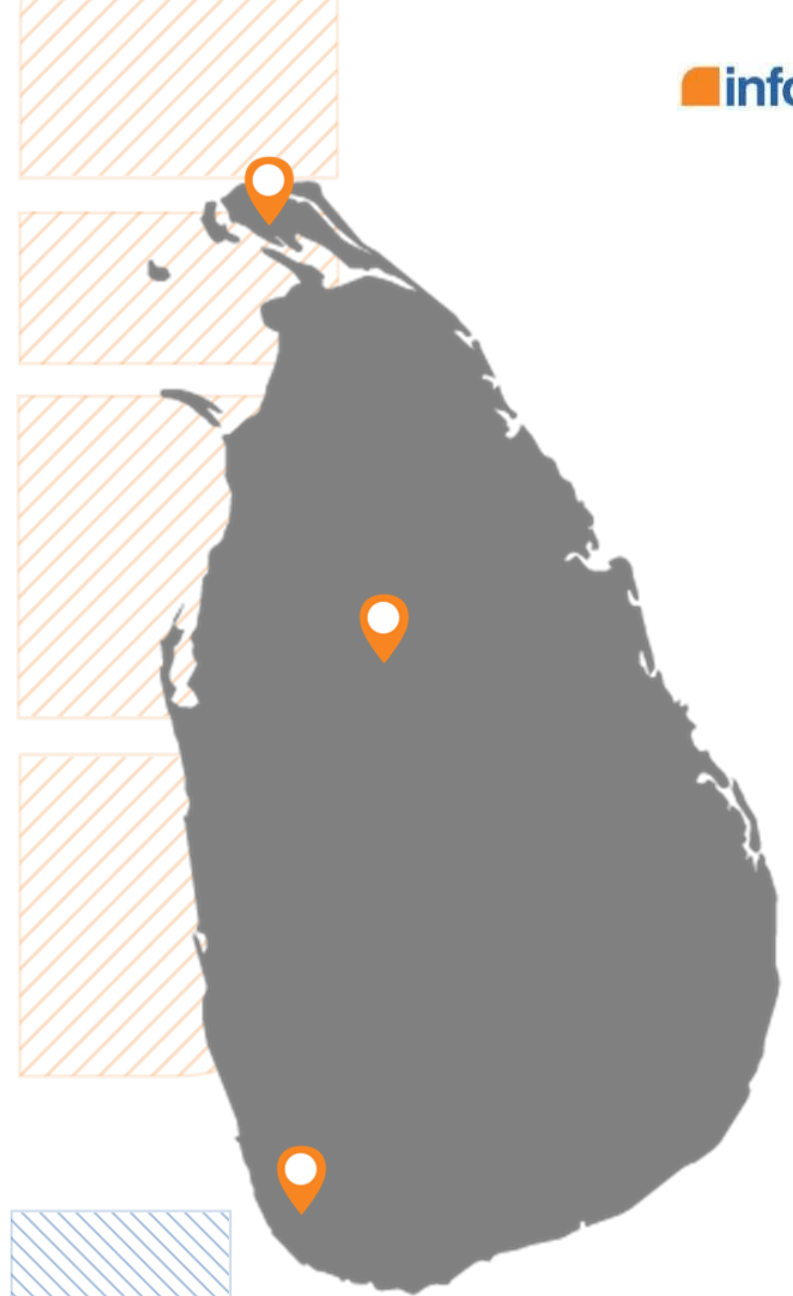


The Breakthrough idea



Rural BPO - The Vision

- Poverty alleviation in villages by providing sustainable employment opportunities for youth in their own village
- Develop a model that could be replicated in other villages of Sri Lanka and so support the growth of BPO at a national level





REPLICATING THE PROJECT

Jaffna & Seenigama

Seenigama

Commenced in 2010 with 2 associates

Premises of the Foundation of Goodness

Rapidly expanded associates and volumes



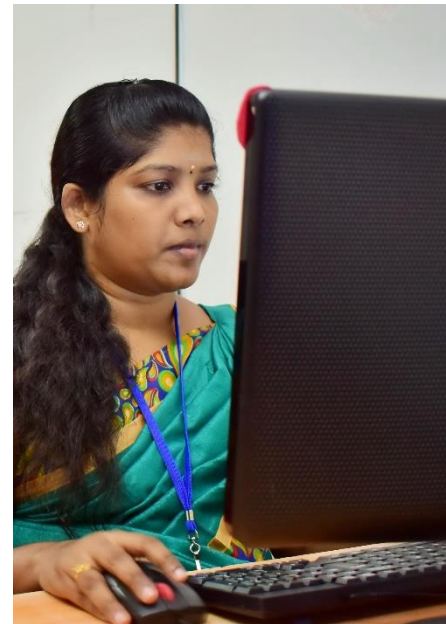
#Seenigama

- 12 years in operation
- 15 associates
- 62 functions on SAP
- Over 500,000 transactions annually
- 3 associates recruited by Cinnamon Hotels
- Contracted by Art Bank US for cataloguing works of art



#Jaffna

- 10 years in operation
- 15 associates
- 20+ functions on SAP
- 500,000 transaction on SAP



Celebrating Anniversaries!



Celebrating Milestones



Annual Year-end gathering at Cinnamon





WE WERE A FAMILY OF 3 WHEN I JOINED JAFFNA BPO TECHNOLOGIES



**UNCOVERING A
HIDDEN GEM**

Equal opportunity
Nearly 50% female participation

**Environmental, Social
and Corporate
governance**

CSR Achievements

1

Sustainable employment created for nearly 50 youth, with over 200 passing through

2

The opportunity to work from their home, without the need to relocate to the cities.

3

Women's employment and empowerment

4

An alternate career choice to farming, military, fishing and garments

5

The opportunity to work in "city office" environments with computers, connectivity and Air Conditioned environment

6

A higher percentage of savings as transport, lodging and meal costs are not required

7

Family units kept intact and avoiding the social issues

8

Capacity for future BPM capacity development

9

Access to training and skills development

Applications at a National Level

- The project demonstrates the capability of rural youth, if given the opportunity, to meet stringent service levels consistently. Over the 12 years the youth have proved their ability to work on a world class ERPs such as SAP, align with the best practices of a leading corporate and achieve high standards of productivity and quality.
- The power of the BPO industry and connectivity to create jobs.
- A true example of a sustainable project. InfoMate benefits from lower attrition levels, a stable workforce and the arbitrage created through the lower rental and infrastructure costs, whilst creating employment and improving living standards for talented rural youth.

Acknowledgements

- ICTA
- John Keells Foundation
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- Thana Sivasambu and Spectra Skills Jaffna
- SLASSCOM



Reaping Business Benefits Through Impact Sourcing

- Achieve all the benefits of traditional BPM, of access to talent, quality, world class processes and cost optimization, whilst making a social impact
- This can be achieved through partnership with rural BPMs

What is Impact Sourcing?



The infographic is titled "What is Impact Sourcing?". It is divided into three vertical sections. The first section, "The Problem", features an icon of three people in a circle and text stating that almost half the world's population lives on less than \$2.50 a day and 1.8 billion people can't access a formal job. The second section, "Impact Sourcing", features an icon of a hand pointing to a globe with a dotted line above it, and text explaining that it brings digital work to economically depressed areas. The third section, "It's a win-win", features an icon of a bar chart and a heart with a double-headed arrow between them, and text stating that business clients cut costs while communities thrive.

The Problem. Almost half the world's population lives on less than \$2.50 a day, and 1.8 billion people can't access a formal job.

Impact Sourcing brings the type of digital work traditionally performed by outsourcing providers to people living in economically depressed areas.

It's a win-win. Business clients cut costs, and communities thrive.

Concept Of Impact Sourcing

Socially responsible outsourcing that aims to make a difference to societies and people

Creates business benefits

- Costs and performance comparable to traditional BPO
- Attrition rates 15-40% lower and stronger employee engagement
- Where applicable, provides greater access to local markets and culture which can enable business opportunity

Helps impact sourcing workers

- Who
 - Economically disadvantaged: low income areas, lack access to jobs
 - Socially disadvantaged: minorities, gender groups
 - Persons with disadvantageous life circumstances: disabled, health limits
- Result
 - Income increases 40-200%
 - 3-4 family members benefit
 - Communities strengthened

Others are already successfully using impact sourcing

- Leading ITO-BPO provider: *"We have hired 2,500+ impact workers till date and attrition among these workers has been 20-35% lower than regular hires..."*
- Buyer: *"Our service has stayed the same or even improved"*

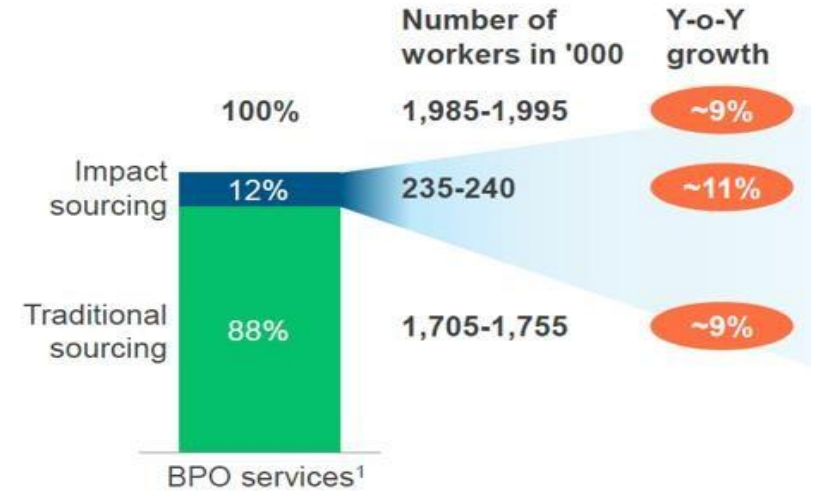


Current Market Situations and Future Trends In Impact Sourcing

• Impact Sourcing - Current Market Situation



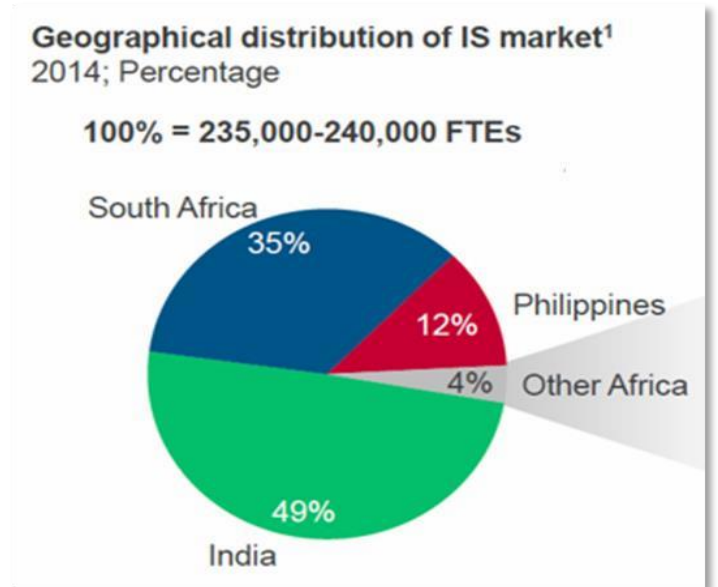
- The current market size is estimated at \$4.5 billion which represents about 4 percent of the \$119 billion BPO industry
- BPO Impact Sourcing directly employs approximately 240,000 FTE across all segments



• Impact Sourcing – Future Market Trends



- The market has the ability to grow to represent 17% - 23 % of the total BPO industry by 2020
- Growing at more than double the rate of the traditional BPO industry





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