

**TCDPAP & FIDIC / ASPAC Conference 2009**

**Sri Lanka Country Paper**

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**Sri Lanka** has made many strides in developing its consultancy business sector, and also has made new inroads in opening opportunities for its consultants in the global arena. Therefore, Sri Lanka is honoured to be part of this conference which is themed “Making Globalization Work: Role of Consultants”.

Sri Lanka's investment in infrastructure has opened up opportunities for its consultancy sector within the country, and its excellent connectivity via internet and telecommunication has opened doors for Sri Lankan consultants to engage in work overseas. Sri Lanka is keen to develop its export of professional services, and Sri Lanka's Export Development Board (EDB) has made several initiatives to help in this endeavour.

**ACESL**

The Association of Consulting Engineers, Sri Lanka, the apex body of consulting engineers in Sri Lanka was established in 1980 and was incorporated by an Act of Parliament in 2003. The Association is a Member of FIDIC and represents the Sri Lankan Engineering Consultancy profession at FIDIC.

In Sri Lanka, FIDIC Contract documents are used in all projects funded by the Multi Lateral Development Banks such as the ADB and World Bank and the larger private sector projects.

An important activity of the Association is the conduct of Courses, Workshops and Lecture programs to upgrade the knowledge of professionals in the construction industry. The Association has conducted Course programs with FIDIC on the Use of FIDIC Contract Documents, Dispute Resolution, Construction Adjudication and so on.

**Consulting – Sri Lanka**

The opportunities for consulting assignments for Sri Lankans were until now mostly within the Territory of Sri Lanka. A large number of Sri Lankans of technical expertise work abroad mostly in the Middle East, but working as full time workers for Overseas organisations. With project proponents realising that talent and skills required can come from anywhere in the world, widespread internet usage and hence better connectivity, Sri Lankan technical consultants are increasingly working overseas. Sri Lankan technical consultants are now working individually, or as a collective of individuals and or as organisations in overseas projects and enterprises. These consultants however are based in Sri Lanka and most work inputs are carried out in Sri Lanka

**Tsunami Reconstruction**

In the aftermath of the Tsunami, Sri Lanka saw a large influx of funds for reconstruction, associated with Overseas consultants and contractors for these projects. Sri Lankans were engaged as local consultants and most consultants were fully engaged in these works Housing, Bridges, harbours, Schools were constructed / re-constructed over the last 4 years and almost all rehabilitation of these devastated areas are now complete. The exceptions are areas where the conflict was raging making those areas inaccessible for rehabilitation.

**Infrastructure Projects**

Sri Lanka has many large scale infrastructure Development projects ongoing at the moment

- Port projects – Colombo South, Galle, Hambantota, Oluvil
- Hydro dams – Upper Kotmale, Uma Oya
- Highways – Southern Highway, Road rehabilitation, Flyovers

- Water Supply and drainage
- Islandwide Broadband connectivity

**Proposed North East Construction & Rehabilitation**

Housing, Electrical, Water supply, Sanitation  
Roads, bridges  
Harbours  
Government services – hospitals, administration facilities

**Export of Services –**

The Export Development Board of Sri Lanka (EDB) has taken initiative in promoting the export of professional services from Sri Lanka. Export of Technical Consultancy Services is included within this programme

EDB assists in networking, promotion and implementation of export of services, and has formed an advisory committee to advise the Board and the Government on these matters.

EDB subsidises engaging in promotion including participating in exhibitions and marketing initiatives.

**United Nations Organization of Project Services (UNOPS)**

UNOPS initiated its operations in Sri Lanka in January 2005 to support the tsunami reconstruction process as a technical partner of UNICEF. The Ministry of Foreign Affairs formally accredited UNOPS Sri Lanka Operations Centre in October 2005.

UNOPS undertake the design and construction of: schools, clinics, hospitals, bridges, roads, water supply schemes, social care centres, housing and emergency IDP shelters, in both tsunami and conflict affected areas.

**Export of Professional Services**

In the export of professional services, including technical services Sri Lanka has found that a professional approach to promotion and execution pays dividends

- Having a Quality Management systems with ISO certification gives a great advantage in convincing clients the guarantee of a good and quality services
- Developing Brand identity with a clear strategy and staying on message is important to achieve “top of mind recall” in your area of service
- It is important to have a constant thrust on promotion with use of promotional materials, newsletters, IT facilities etc to ensure that you are not seen as a fly-by-night. An international projects profile has to be built up over time with good opinions of the work done by your clients
- It is important that talented and skilled personnel are attracted to your area of business as the quality of personnel are of utmost importance in supply of a services

**The Lanka Hydraulic Institute Ltd – LHI Coast and Water**

The Lanka Hydraulic Institute (LHI) is a good example of venturing global in pursuit of technical consultancy business. LHI is a wholly Sri Lankan owned consultancy firm specializing in Coastal Engineering, Water Resources and Urban water. It has capabilities in Field investigations, Mathematical Modelling and Physical modeling and owns a model basin at its facility in Moratuwa, Sri Lanka.

LHI was engaged in projects mostly only in Sri Lanka till 2003, when the company decided to take their services global. Now, its work load is more than half on projects abroad.

LHI improved its internal business processes and professional input was sought in its marketing ventures abroad which has borne fruit. It now engages in projects from Algeria in the West to South Korea in the east. It is currently engaged in the study of the sedimentation problem at Kolkata harbour.

### **The marketing mix : the P's of marketing**

In marketing products:

- Product , Place, Price, Promotion

In marketing Services:

- Product, Price, Place, Promotion, Process, People, Physical Evidence

As can be seen marketing of services is entails more factors that have to be managed.

### **Marketing Mix in Professional consulting**

Product – Efficient, Professional Consulting

Price – Competitive, Strategic, Value added

Place – Virtual, Can deliver anywhere

Promotion – Worldwide / Regional Top-of- Mind

Process – Quotation, Contract, Results Delivery, Quick Response

People – Efficient, Professional, Experts, Responsive

Physical Evidence – Quality Reports, Follow up

### **Strategic Elements in Marketing Planning & Implementation**

Segmenting Market

Targeting Market

Differentiating Offerings

Positioning Offerings

### **Plans for the Immediate Future**

Sri Lanka Technical Consultancy Sector supported by the Government hopes Promote export of services including Technical Consultancy services more intensively. The ACESL spearheads some of these ventures.

South Asia and some countries in the Far East have been suppliers of skilled personnel to work for foreign organisations overseas for a long time. Sri Lanka is keen to promote organisations to go overseas whilst promoting professional services as a priority area.

It is intended that support in developing Quality Management systems and obtaining ISO certification will be made a priority. Researching markets and developing marketing strategies are also another area in which Sri Lanka hopes to concentrate in the near future.

Our other plans for the future are as follows:

- Give wide publicity to the role of the Consulting Engineers in the Engineering industry to highlight their attributes such as the skill for engineering excellence and the professional independence that will be the hall mark of their involvement in any project.
- Canvass with the government that any engineer who wants to practice as a private consulting engineer should be a member of the ACESL. Accordingly all state Institutions and local bodies to ensure that private consultants to be employed should satisfy these conditions.
- ACESL secretariat should provide facilities on its own or through well to do member firms to those members who cannot afford to have such facilities on their own. Examples of such facilities are computers, drawing printers, photocopiers and auto cad draughtsmen. Charges can be say cost + 5%

- Any member firm who are short of Expert Engineers or Para technical staff should be provided with some assistance by the ACESL facilitating some internal transfer systems. All of us are not always stretched to the full in terms of mobilizing our staff. It may also help some firms who at times are overburdened with fixed cost when there is less work.
- Whenever any member firms have knotty contractual problems with their clients the ACESL should facilitate to sort out these problems by nominating one or two senior engineers to assist them.
- Should explore avenues or sources of funds on a loan basis for those who want to set up new consultancy ventures or need collateral guarantees to secure advances and or facilitate such advances from the TGF?
- Should negotiate with Insurance Companies to give a favourable rate to secure professional indemnities for members or firms.
- Introduce a system to encourage innovative designs or excellence in designs by inviting applications from any engineers (not necessarily confined to ACESL members) so that some form of awards or certificates can be given.
- Each year, for purpose of organizing seminars, a theme which is topical should be selected such as climate change implications, Disaster management, Petroleum prospects for Sri Lanka, Impact of Sethusamudra project etc. 'Climate Change Implications' is recommended for this year. In addition at least one seminar with foreign participation should be organized.
- Select a list of adjudicators and seek recognitions from both public and private institutions to appoint them.
- Forge working relationship with ICTAD and the Society of Structural Engineers.
- Collect and maintain the records or news etc of arbitration decision of land mark disputes and release them through the News letter for reading memberships.