IESC and the Volunteer Executive Program in Sri Lanka 1984-1992

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Introduction

The Connecticut-based International Executive Service Corps (IESC) has operated a Volunteer Executive (VE) program in Sri Lanka since 1984. The program, under which U.S. executives travel to Sri Lanka to serve as advisors to local businesses, has become a success story among the IESC's initiatives worldwide.

Since the program's inception, more than 100 VEs (most of them retired from U.S. firms) have come to Sri Lanka, typically on three-month assignments, to share their knowledge and expertise. Many clients, impressed with the quality of the volunteers, have requested multiple VEs or have asked that volunteers make additional visits. This despite the fact that most clients must help pay the costs of each VE assignment. Costs do not include salary but do include travel, living expenses and overhead expenses.

According to the U.S. Agency for International Development, which funds the VE initiative in Sri Lanka, "the program enjoys an excellent reputation among the local private sector and has been an...example of the success that can be achieved by business-to-business and person-to-person contacts between U.S. and Sri Lankan interests."

USAID officials and others attribute much of the program's success directly to the efforts of Chris de Saram, the VE program Country Director who resigned from the IESC in 1992 after eight years on the job. Quintus Suriaratchie, who has since taken over as manager of the program, said Mr. de Saram's extensive knowledge of Sri Lankan industry was one reason he was so effective.

"He knew people, and people looked to him for advice," Mr. Suriaratchie said. "He had a very good knowledge of the private sector....He was able to analyze clients' requirements and make unbiased judgments."

Mr. de Saram's prior private-sector experience included lengthy stints with Shell Oil and Imperial Chemical Industries of Britain. He believes the key to his success--and the key to IESC's success in Sri Lanka--was his ability to match clients with appropriate volunteers. This turned on Mr. de Saram's facility for discerning clients' needs when they themselves were unsure of their requirements. In most cases, Mr. de Saram said, what they required was not a generalist, but a consultant with highly specialized skills and knowledge in a particular area.

Of course, all the expertise in the world can't help a client who refuses to listen.

"The Country Director sees the need for a volunteer, the client agrees, but everything rests on how well the client absorbs the information brought by the volunteer," Mr. de Saram said. To ensure that the information is absorbed, volunteers must be hardworking and creative in their efforts to convey ideas.

"The volunteer must come here with a keen interest in delivering the package," he said.

Clients as well as volunteers must be selected carefully. The firms that can benefit most from IESC assistance are the ones that lack "international input of either equity or management," Mr. de Saram said. VEs, with their extensive experience, are uniquely qualified to provide assistance to such firms, which are usually years behind cutting-edge industrial breakthroughs in the developed world.

"The volunteers shorten the learning curve," Mr. de Saram said. "On the whole, the experience that a volunteer brings is exactly the experience that an industry requires."

Mr. de Saram said volunteers are not just providing help to the limited number of companies that actually participate in the VE program. The entire business community and the country as a whole can profit from the exchange of information.

"Most of the volunteers are carrying a message back to the United States that this is a stable country in which you can do business," he said. "I feel therefore that the IESC is an essential component in improving business relations between the two countries."

And improved relations mean better business for both sides.

"The IESC presents a window into the United States for Sri Lankan business-people. The U.S. is a huge market, and at the same time if the U.S. wishes it can supply very competitively into Sri Lanka....Through the IESC we are opening doors into the U.S. as well as into this country."

The people most qualified to speak about the benefits of the VE program, of course, are the clients themselves. The following report consists of eight vignettes, each one addressing the experience of an IESC client in Sri Lanka. Information for the vignettes came from a number of sources: Interviews with corporate participants; IESC files; Chris de Saram, through interviews and written project summaries; and, where possible, from information provided by former volunteers.

Although originally conceived as a tribute to Mr. de Saram, the report is intended for a variety of uses. Among other things, USAID will use it as an internal record of the agency's involvement in the VE program and as a public relations document. IESC officials may use the report for similar purposes. Other parties interested in the report may include past and prospective IESC volunteers as well as past and prospective clients.

Brass Foundry Shines With IESC Help

On a wall in the bustling sales office of Flexport Ltd., camouflaged among hundreds of other polished fixtures and figurines, hangs a modest brass plaque in tribute to one Francis Donnelly.

For P.N. Nandadasa, Flexport's owner and general manager, the plaque is a constant reminder of the American consultant who helped transform Flexport from a troubled Sri Lankan factory into a modern, international operation.

"He understood our company," says Mr. Nandadasa, whose firm makes brass and aluminum castings. "He was sensitive to the level of resources and technology available."

It's been four years since Mr. Donnelly came to Sri Lanka as an IESC Volunteer Executive. But at Flexport, where he shared the knowledge and experience of 37 years in the U.S. metals industry, his impact is still felt.

Reaching behind his desk, Mr. Nandadasa produces a brass statuette of a man on horseback, a replica of a Frederick Remington sculpture cast in the Flexport foundry. Turning it over, he reveals the trademark of the internationally respected Franklin Mint.

"It was Mr. Donnelly who...organized the work with the Franklin Mint," Mr. Nandadasa said. "He came as a consultant to the foundry, but he didn't stop there. He also did marketing."

Mr. Nandadasa said Mr. Donnelly, who was 65 when he came to Sri Lanka in 1988, was chiefly concerned with helping Flexport bring its castings up to export quality. Besides introducing methods to improve foundry output, Mr. Donnelly suggested new product lines, reviewed the company's organizational structure, altered the layout of the Flexport plant, and made recommendations concerning product planning and scheduling.

According to Mr. Nandadasa, Mr. Donnelly spent most of his three months at Flexport on the factory floor, observing operations and suggesting changes. Unlike some paid consultants, who end up acting as salespeople for expensive imported equipment, Mr. Donnelly concentrated on achieving the best results possible using locally available materials and technology.

"He immediately set about modernizing our techniques...but gradually, in ways that the workers could understand," says Mr. Nandadasa. "When he found our weaknesses, he was capable of communicating, by demonstration and example, with people who do not speak English. The end result was that everyone was very keen on doing things Mr. Donnelly's way...and improvement has taken place."

Chris de Saram puts a lot of stock in that kind of effective communication. It was he wh convinced Mr. Nandadasa that an IESC volunteer was just what Flexport needed to modernize its operation.

"Working upwards with purely local technology, Mr. Nandadasa's company was not efficiently run," recalls Mr. de Saram. "The product had a lot of quality problems. But the IESC man...really got emotionally involved with the product and the client and he gave it al he had, with quite amazing results....The quality of the castings were improved beyond all my hopes."

Once the castings were improved, it was incumbent upon Flexport to find a market for it products, and Mr. Donnelly unexpectedly seized the initiative in this area as well. Not only did he facilitate Flexport's deal with the Franklin Mint, but he also accompanied Flexport officials to Frankfurt, Germany, to help them run a trade-fair sales booth. His efforts there, Mr. Nandadasa said, resulted in a deal with a Madison Avenue firm to cast limited-edition museum pieces.

Even after his departure from Sri Lanka (an event met with tears on the part of both Mr. Donnelly and Flexport personnel), Mr. Donnelly continued to provide advice via the mail. He went so far as to procure a miniature-casting machine for Flexport and even invited Mr. Nandadasa to come to the United States to visit some foundries.

"He took me to the USA and showed me how to do things," Mr. Nandadasa said. Even now he remains in "constant contact" with Mr. Donnelly, whom he largely credits for Flexport's 25-percent increase in sales since 1988.

When asked what benefits the United States could expect from the efforts of people like Mr. Donnelly, Mr. Nandadasa said the VE program is opening up new markets for Americans as well as Sri Lankans. And Sri Lankans, he promised, will not forget American efforts on their behalf.

"Loyalty is the key factor in dealing with Asians," he said. "We will never betray you. It's our duty to help you in return."

Tire Company Finds Prevention is the Best Cure

Managers at Richard Pieris & Co., the leading manufacturer of tire and rubber products in Sri Lanka, were growing concerned about the amount of down-time in their factory on the outskirts of Colombo. In 1989, company officials estimated, some of their equipment was inoperative for as much as 20 to 25 percent of the time because of mechanical problems.

"We were on a breakdown maintenance system," said Kumar Pieris, the company's Engineering Manager. "We waited until the machine would break down, and then we'd go and repair it."

The system, if it can be described as such, was costing the company money. Although Mr. Pieris declined to say how much the tire manufacturer was losing to down time each year, he suggested that the loss was considerable.

"Our turnover is a quarter billion rupees (about $6.2 million) per year," he said. "So even a small percentage [of down-time] converted into real money makes a significant difference."

What to do? Chris de Saram, who during his tenure at Imperial Chemical Industries had sold a lot of paint to Richard Pieris & Co., had a suggestion: Why not bring in an IESC volunteer to review the tire plant's maintenance procedures?

Richard Pieris & Co. was not unfamiliar with the Volunteer Executive program. The company had brought in VEs in previous years to advise them on their furniture manufacturing operation and their synthetic leather cloth production, with excellent results.

Recalling the success of the earlier volunteers, company officials acceded to Mr. de Saram's advice. Late in 1989 they selected VE Billy M. Cox, of Danville, Virginia, to assist them. Mr. Cox, 65 years old at the time, had retired after 35 years with the Goodyear Tire and Rubber Co. During his career at Goodyear, he had served as a maintenance engineer, engineering staff manager, master mechanic and engineering division manager. His tasks included troubleshooting assignments at Goodyear plants in India, Germany, Luxembourg, England, Venezuela and Peru.

When he arrived in Sri Lanka, he had an unexpected suggestion for Richard Pieris managers: Instead of improving employee reaction to constant breakdowns on the factory floor, why not do something to keep the breakdowns from happening in the first place? The solution, as far as Mr. Cox was concerned, was preventive maintenance.

"We didn't ask for a preventive maintenance person," Mr. Pieris said. "We asked for an engineering maintenance management person. When [Mr. Cox] came he proposed this system and managed to get everyone committed to it through discussion and through explaining the advantages of it."

Mr. Cox's plan was simple in its concept but complex in its execution. He wanted all the mechanical equipment in the 1,200-employee tire plant to be shut down on a rotating basis for routine preventive maintenance. A maintenance schedule had to be designed, along with a system for keeping track of what maintenance had been performed on which machine and when.

Once the schedule and record-keeping system were in place, the actual maintenance cycle could begin. The tricky part, Mr. Pieris said, was convincing employees who were scrambling to meet production targets that it was really necessary to shut down a machine that wasn't experiencing any mechanical problems. That was where Mr. Cox's powers of persuasion came in.

"Mr. Cox would have frequent meetings with the engineers and production people," Mr. Pieris said. "He convinced us to start giving priority to preventive maintenance."

By the time Mr. Cox left Sri Lanka, every machine in the factory was on the maintenance schedule. And it didn't take long for Richard Pieris & Co. to start noticing the new system's effect on down-time. The machines that had been out of commission up to 20 or 25 percent of the time were now down for only 10. Overall maintenance costs were lower, and production losses resulting from mechanical failure had been reduced.

Besides implementing the preventive maintenance program, Mr. Cox also found time to recommend improvements in certain production processes, evaluate employee efficiency and productivity, and suggest means of automating certain tasks.

Mr. Cox's efforts, according to a statement released by Richard Pieris officials, "helped the company and the engineering staff tremendously in controlling breakdowns, planning for the future, and motivating personnel."

There was, however, a significant problem where the preventive maintenance program was concerned. The program, with its intricate scheduling and record-keeping, was monitored entirely by hand. One secretary was spending almost all her time keeping track of maintenance. The process, Mr. Pieris said, "was a strenuous thing."

To make it less strenuous and time consuming, the company decided to computerize the system. Through the IESC, Mr. Pieris contacted Mr. Cox in 1991. Could he return to Sri Lanka to help computerize the procedures he had put in place the year before? He could. "Piggybacking" on another VE assignment with Richard Pieris's export division, Mr. Cox spent about a month at the tire factory beginning in September 1991.

Mr. de Saram said Mr. Cox's second visit was "well-timed."

"The project...reviewed the client's performance on the preventive maintenance program," he said. "It also enabled the VE to guide the client further on management information to be derived from computerization of the...program."

According to IESC documents, "VE Cox explained which reports the maintenance engineer should be providing to the executive director. He stressed that these reports should state the effectiveness of the planned maintenance, designate areas where the executive director should assist the engineer, and explain why and how long a piece of equipment was down as a result of maintenance. VE Cox also stated that periodic meetings between the executive director, production manager and the engineer should be held in order to discuss and locate maintenance problem areas."

Summing up the results of Mr. Cox's two visits, Mr. Pieris said he had learned a great deal about management techniques by simply watching Mr. Cox at work. The strategies and techniques that Mr. Cox passed along, Mr. Pieris said, will continue to impact the company for a long time to come.

"Our engineering costs and efficiencies would not have been at their current level if Mr. Cox would not have come," he said. "The worst situation would have been that we might have had to replace some of the equipment that thanks to the maintenance program is still running."

Troubleshooting for a Sri Lankan Stock Broker

For years, the stock brokers at Forbes & Walker were accustomed to making only three or four transactions a day on the floor of the relatively tranquil Colombo stock exchange.

Then, in 1990-91, the dam burst. The Sri Lankan government liberalized its stock-market policies, abolishing fiscal disincentives that included a capital gains tax and a 15-percent withholding tax on dividends. Investors, both local and international, flocked to the Sri Lankan stock market in unprecedented numbers. Brokers accustomed to keeping track of a handful of trades every week suddenly found themselves dealing with upwards of 200 transactions a day.

"Brokers like us couldn't handle it," confesses Aruna Kulatunga, director of Forbes Research, a division of the Forbes & Walker Group. At the suggestion of Chris de Saram the firm decided late in 1991 to bring in an IESC Volunteer Executive as an advisor.

Their choice for the job was Lester H. Weinberg, a VE from Ohio who had served as the vice president for sales at the brokerage firm of Prescott, Ball before his retirement in 1988. Mr. Weinberg's assignment during his three months in Sri Lanka: Analyze Forbes & Walker's operation and recommend improvements to ensure the firm's continued competitiveness in the stock-market boom.

The firm's managers, according to IESC documents, were concerned that Forbes & Walker's brokers were operating in "an inefficient and uncontrolled atmosphere, which, if left... uncorrected could cause serious problems for all concerned." Brokers were acting like free agents, with little coordination of effort. No efficient mechanism existed whereby transactions could be recorded. Furthermore, brokers were largely unfamiliar with the idea of seeking out new customers; they were content for customers to come to them.

Into this undisciplined maelstrom came Mr. Weinberg, a one-time university instructor whose bearing, according to Mr. Kulatunga, was nothing less than "professorial." The stable of young employees at Forbes & Walker, most of them not long out of university themselves, were ready to listen to his advice.

"Mainly he taught us how to analyze stocks," said Renuka Vincent, a research analyst who joined Forbes & Walker in 1990. "We went to the basics. He taught what you should look for in...stocks before you invest. He taught the importance of research."

His training sessions also concerned the need to actively seek out new clients, maintain relations with old clients, and the need to keeping accurate records of stock transactions.

Mr. Weinberg, who arrived in Sri Lanka in January 1992, said in a project report that his first priority at Forbes & Walker was "the design and installation of a securities order system which would allow the broker to keep a record of each trade...as well as a list of clients holding each individual security."

Keeping records of transactions and clients, according to Mr. Weinberg was necessary to maintain proper client/broker relationships. Mr. Weinberg attempted to convey the importance of such relationships through a series of lectures conducted after working hours each day.

Chris de Saram, recalling Mr. Weinberg's efforts, said the volunteer's willingness to put in extra hours was typical of most successful VEs.

"I walked into the lobby of the Oberoi Hotel one afternoon and saw him there," he said. "I asked, 'What are you doing here?' And he told me he was waiting to conduct an evening training session after work hours."

Of course, a VE's efforts must be matched by the client's willingness to follow his advice. Such was the case with Forbes & Walker. Although it is the leading firm of its kind in the country, its managers recognized the need to upgrade their operations. Local brokerage houses must modernize or perish, they reasoned.

"The future looks...hard because we have seen foreign brokers coming in," said Mr. Kulatunga. "That is pretty tough competition, because they are bringing with them the research methodology used in international brokering."

It was the realization that they might face disaster that made Forbes & Walker employees so receptive to Mr. Weinberg's ideas and plans, Mr. Kulatunga said.

"Basically, we were malleable," he said, adding that many of the changes suggested by Mr. Weinberg are still being experimented with and put into place. Mr. Weinberg's suggestions were good, but there are some bugs to be worked out.

"To us," Mr. Kulatunga said, "because it is a new system, we really don't know how to go around the problems associated with it."

Problems or no, Mr. Kulatunga says the company could not have succeeded if it had stuck to the old way of doing business. Without Mr. Weinberg, he said, "things would have been a lot tougher."

After Two Tries, IESC Proves to be Formula for Success

When Roy Williams came to the Singalanka Standard Chemical plant in 1985, the fledgling company was in a precarious position: Government regulators had erred in their assessment of the plant and had ordered the factory to shut down because of unfounded pollution concerns.

Although Mr. Williams' assignment as a Volunteer Executive was to help Singalanka modify its equipment, he found himself acting as a liaison between the company and the Sri Lankan government. According to A.K. Ratnarajah, Singalanka's finance director, it was Mr. Williams who demonstrated to government officials and the firm that the plant could be operated so as not to pose a pollution hazard, clearing the way for production to resume.

"He was able to remove their fears about the plant," Mr. Ratnarajah said. "He was good."

According to Chris de Saram, "good" might be an understatement. He credits Mr. Williams with saving Singalanka, the country's first and only manufacturer of sulfuric acid, from certain ruin.

As things turned out, the company wasn't able to resume production until after Mr. Williams' three-month visit. But Mr. Williams, a 71-year-old retired American Cyanamid executive, nevertheless left behind a legacy of good will and technical expertise at Singalanka.

Besides addressing the concerns of reluctant government administrators, Mr. Williams spent a lot of time on the factory floor, training employees and suggesting equipment modifications. He also assisted the company in locating spare parts for its machines.

"I think most of his suggestions were implemented," said Mr. Ratnarajah, who added that Mr. Williams' training sessions had mixed results. "It was not that successful because the plant was not operational, and then again, the language barrier was there. He did write up some manuals and procedures and briefed the guys who were able to understand the language. He was himself disappointed...because the plant was shut down."

Singalanka was impressed, however, with the work Mr. Williams was able to accomplish despite the limitations of circumstance. Company officials invited him for a second visit in 1990, after the plant had been back in operation for about five years, to review production and maintenance procedures.

"In the process, he found that our catalyst was not...efficient, and we were wasting raw materials," Mr. Ratnarajah recalls. Subsequent modifications resulted in a 10 percent increase in profitability.

Mr. Williams also designed a preventive maintenance plan for the plant and conducted another series of training--more successful this time because he could demonstrate on equipment that was actually working.

"The situation was far, far better, and he was also happier," Mr. Ratnarajah said.

Although both of Mr. Williams' visits were successful in their own way, Mr. Ratnarajah admitted that the company initially had some misgivings about dealing with the IESC. Could American know-how be applied to a Third World factory?

"I think we were a bit concerned before Mr. Williams came out--because the plants in the USA would be much more advanced or modern," Mr. Ratnarajah said. "So we were wondering if he would be somewhat of a misfit, or take things here as being too primitive."

Mr. de Saram, however, was able to reassure company officials. The Country Director's own expertise inspired confidence, Mr. Ratnarajah said. "He comes and sits with you and goes through your entire operation....He has tremendous knowledge and experience behind him."

Calling on that experience, Mr. de Saram recommended Mr. Williams, who spent his entire career rehabilitating old acid plants and commissioning new ones for American Cyanamid.

The match was a good one, Mr. Ratnarajah said, not only because of Mr. Williams' technical knowledge. The man's friendly attitude and his willingness to "go the extra mile" are still fondly remembered by Singalanka employees.

"He was a very lovable character for us," Mr. Ratnarajah said. "Even now we correspond."

Sticking With IESC

Mr. Ratnarajah, a man who wears many hats, is also the Managing Director of Ceylon Tapes Ltd. So when he and other company officials decided to expand into the highly competitive field of plastic, pressure-sensitive adhesive tapes for use in export packaging, he naturally recalled his IESC experience at Singalanka.

The decision to bring in a Volunteer Executive came after Ceylon Tapes executives came to grips with their own lack of knowledge in the realm of plastic pressure-sensitive tapes. With less than a year of experience in manufacturing gummed paper tapes (which require moistening in order to adhere), the company lacked the expertise to move beyond the experimental stages of plastic tape production.

"We had a lot of problems," said Mr. Ratnarajah. "We just did not have the know-how and technology to do [pressure-sensitive tapes]."

Chris de Saram suggested that Ceylon Tapes enlist the aid of a VE. Company executives, not least among them Mr. Ratnarajah, concurred.

Their choice of volunteers was one Richard Lambert, a chemical engineer by training and the holder of four U.S. patents. He came to Ceylon Tapes with 31 years of experience at 3M Corp., the world's leading manufacturer of tape products.

"His [experience] at 3M was just exactly what we were looking for," said Mr. Ratnarajah. "He had done product development and he had been in the manufacturing sector. Both Chris and I were impressed."

Before he even arrived in Sri Lanka, Mr. Lambert began to make his presence felt, Mr. Ratnarajah said. "From the moment we selected that guy...he was firing off faxes, calling us back and saying 'get this ready and get this organized' and so forth."

Having successfully completed two IESC projects in Guatemala before coming to Sri Lanka, Mr. Lambert knew the value of getting a running start. When he arrived in Sri Lanka in January 1992, he barely paused for breath before plunging into his work at the Ceylon Tapes factory. Among other things, Mr. Lambert assisted in the selection of an adhesive; trained staff in the operation of equipment; designed and supervised construction of product testing equipment; and helped re-tool the company's tape-making machines. Most days he spent on the sweltering factory floor of the company's rural manufacturing plant, eschewing the comforts of air conditioning in order to assist with repairs and demonstrate production techniques.

"We had a lot of problems on the machines and he had to suggest a lot of improvements and modifications," recalls Mr. Ratnarajah.

Mr. Lambert, who completed his assignment after three months, left a legacy of improvement at Ceylon Tapes. Despite a language gap, he had managed to train factory workers to operate machines without supervision. He introduced a more efficient method of manufacturing gummed paper tape. And no fewer than 23 of his technical recommendations had been implemented.

According to Mr. de Saram, the project was an excellent example of the success that is possible when VEs and clients are well-matched.

In the case of Ceylon Tapes and Mr. Lambert, it seemed to be a match made in heaven. Mr. Lambert's assistance made the difference between success and failure for the fledgling tape company, Mr. de Saram said.

"Without the volunteer," he said, "this company probably would have gone into liquidity before they started production."

As things stand, the unassuming Mr. Lambert left behind a feeling of immense good will at Ceylon Tapes, and as of late 1992 was helping company officials procure equipment in the United States.

"He is in touch with us and we are in touch with him," Mr. Ratnarajah said.

Insurance for Sri Lanka's Rural Majority

The Sri Lankan capital of Colombo, with its population of more than 1 million, is the industrial and urban center of this tiny island nation. But when Ceylinco Insurance Co. Ltd. prepared to enter the life insurance business as a private enterprise in the mid-1980s, the company decided that Colombo was a highly limited market.

"The [Sri Lankan] economy is by and large an agricultural economy," said S. Ratnadas, Ceylinco's Deputy Managing Director. "Most of the working people are in the rural sector or the estate sector....[Therefore] we are going into the provinces and the rural areas to sell insurance. We are taking the message of insurance to people who have not heard it in the past."

This marketing strategy, which Mr. Ratnadas says is doing "very well," is patterned on similar approaches used to sell "poor man's insurance" in the United States during the Great Depression. The man who devised the Ceylinco plan, himself a survivor of the Depression, is an American named C. Van Winfree. Ceylinco officials credit him with setting the company's course for its venture into the field of life insurance, a former state monopoly thrown open to the private sector in the 1980s.

"It was Mr. Winfree's idea that we had to...spread the 'gospel of insurance' outside Colombo," said Mr. Ratnadas. Without Mr. Winfree, he said, "I suppose we would have taken a different path altogether, and lost the rich experience that we were able to share with this man."

Mr. Winfree came to Ceylinco in October 1986 as a Volunteer Executive. His expertise stemmed from his career at Metropolitan Life, where he started as a salesman and eventually worked his way up to vice president in charge of marketing. Upon his arrival at Ceylinco, he immediately set to work designing a marketing plan, training a marketing director and staff, and assisting with the company's computerization.

"It's very hard to pinpoint just one thing" as Mr. Winfree's most significant contribution, Mr. Ratnadas said. Besides working on the marketing plan, he said, Mr. Winfree also helped design the company's policies and recommended a full-time as opposed to a part-time sales force. He also revised policy costs and helped peg them at realistic levels, recommended that the company change actuaries, and arranged for Ceylinco's sales director to visit an Indonesian company that had profited from one of Mr. Winfree's earlier VE projects.

"The toughest problem I experienced," Mr. Winfree said, "was [Ceylinco's] initial reluctance to Westernize their product and marketing methods. Certain concepts were deeply imbedded...although I must admit that discussion was never cut off even to the day I left, and few serious disagreements occurred."

Ceylinco officials, starting almost from scratch in a business that had been run exclusively by the government for some 20 years, recognized the need to make fundamental changes in their operation. Ultimately, Mr. Ratnadas said, the company was receptive to Mr. Winfree's suggestions.

"Everything that I could convince them of they did, and did well," Mr. Winfree said. "All that I know to date assures me that they listened, and were perhaps slightly overly cautious in their implementation of so much change."

Having spent 18 years as an international insurance consultant, Mr. Winfree was confident he knew the changes that Ceylinco needed to make. But it was not just his expertise that made him a successful volunteer. Mr. Ratnadas spoke also of the man's dedication--his willingness to travel to remote areas to get firsthand knowledge of Sri Lankan living conditions, and his privately financed return visit in 1992, when he came to check on the results of his recommendations.

"He has seen for himself the success we have achieved," Mr. Ratnadas said. "He was naturally quite happy that he'd been able to contribute to the success of our company on the life insurance side."

And just how successful has the company been? Mr. Ratnadas declined to quote sales figures. He did say, however, that the company's staff has grown from 100 employees in 1988 to 600 employees in 1992. That doesn't include a force of agents numbering more than 700. If that is any indication, Ceylinco--and Mr. Winfree's marketing plan--have been very successful indeed.

Planning for Success

John Keells Holdings is the largest publicly held company in Sri Lanka, with 44 subsidiaries employing more than 5,000 people. A diverse empire with operations ranging from food processing to real estate development, the company until 1987 had no integrated corporate planning system.

"The chief accountants were responsible [for planning] and they did it according to their own ability," said A.J. Rumy, a former John Keells accountant and now Director of MacKinnon & Keells Financial Services Ltd., a Keells subsidiary. "The system which was in existence was dependent on the knowledge and experience of the individual accountant. The systematic approach was not there."

Company officials recognized the need for a better system. But what form should that system take? "We were aware that corporate planning was really necessary," Mr. Rumy said. "We needed somebody to come and...provide advice."

The company turned to Chris de Saram, whose first suggestion was that the company form a Corporate Planning Unit to oversee planning operations. This the company did. Meanwhile, Mr. de Saram began the search for a Volunteer Executive who could give the kind of technical assistance that John Keells really needed.

The search yielded many names, but John Keells executives ultimately chose one Donald Ramlow, former CEO of Chicago's A.T. Kearney consulting firm. He arrived in Sri Lanka late in 1987 and immediately set to work.

His first order of business was to hold a seminar for top management in which he attempted to convey the need for and the purpose of an integrated long-range planning system. Subsequent seminars dealt specifically with the methodology of long-range strategic planning, five-year planning, and annual planning.

To illustrate the techniques he presented in the seminars, Mr. Ramlow then assisted the managers of five John Keells subsidiaries (including Keells Food Products and Walker Tours Ltd.) in the creation of long-range strategic plans for the companies.

Mr. Rumy, who described Mr. Ramlow's approach as down-to-earth and practical rather than theoretical, said the volunteer was "basically selling the concept of long-term planning."

And by the time he left John Keells, he'd made the sale. Although he suffered a mild stroke toward the end of his Sri Lanka visit, Mr. Ramlow nevertheless was able to convince John Keells of the benefits of long-range planning. After his departure, company executives expanded the Corporate Planning Unit to 20 people and hired a full-time manager to oversee its operation. That manager, Marieanne Samaraweera, said corporate planning since then has had a significant impact on the conglomerate's bottom line.

"If you look back at the time [of Mr. Ramlow's visit], that's the time [the company] really started to take off," said Mrs. Samaraweera. "The profit graph speaks for itself. In the past three years, we have had growth of over 200 percent."

Much of that growth she attributes to the corporate planning system that Mr. Ramlow so strongly advocated. She and Mr. Rumy also credit the willingness of John Keells managers to adopt a corporate planning system.

"We were serious about this subject," said Mr. Rumy. "There was commitment from top management. So there was no question of it failing."

According to Chris de Saram, Mr. Ramlow's influence also was felt outside the realm of planning.

"The VE was so very good that the client requested him to lay down criteria for selection of staff to the boards of their many subsidiaries," he said. "On the basis of this, the client eventually decided on a second [IESC] project on developing human resources management."

Uncorking Profits With IESC

Bottle caps. We all take them for granted, but somebody has to make them. And making them is not as easy as one might think. Just ask R.D.C. Perera, general manager of Wilton Metal Box Ltd., one of the two leading manufacturers of bottle caps in Sri Lanka.

In 1985, he said, the company began to produce "crown corks" (which require a bottle opener) in addition to the "roll-on pilfer-proof" (screw-on) bottle caps it had been making for several years. But there were problems, not the least of which centered on the process by which logos and trademarks were printed on the caps.

"The image being made was not very sharp and sometimes used to peel off," Mr. Perera said. "We had complaints from our customers."

There were other problems. Equipment at the "new" crown cork factory (which was actually a very old facility that Wilton had purchased in hopes of rehabilitating it) was in disrepair. Machine operators at the plant were ill-trained on the equipment that was working. Quality control procedures were inadequate where they existed at all.

Chris de Saram recalls his meeting with company officials, arranged by a mutual friend.

"[I] advised the client that as he was to spend a considerable sum on this old factory he should spend a fraction of that and obtain the assistance of an IESC VE," he said. "[The] client agreed."

The VE that Wilton Metal Box selected was one Wesley Szpitalak, who had spent a 30-year career with Continental Can Co. in the United States. According to his biographical data, Mr. Szpitalak was something of an expert in the field of metal coating, decoration and printing--just what Wilton Metal Box needed. He was also familiar with production systems development and materials and process development, and Wilton officials were hopeful that he could bring this knowledge to bear against the many glitches in their production system.

They were not to be disappointed. Mr. Szpitalak arrived in December 1985 and immediately focused his attention on getting the crown cork factory equipment up and running. Mr. Perera was impressed by the man's hands-on approach.

"During the first few days he came and he helped to assemble the [new printing] machine," Mr. Perera said. "During the latter part of his visit, he actually did the printing."

That was not all he did, of course. According to IESC documentation, Mr. Szpitalak helped recondition all production equipment in the crown cork plant "to bring it to production condition." He developed process and materials specifications for metal protective coating, decorating, and sealing compounds. He established quality control procedures and trained equipment operators in "all phases of production and machine set-up." He produced production flow and organization charts and then guided the plant through production of finished bottle caps.

According to Chris de Saram, "the assistance he provided to the client was invaluable."

"When I wrote the project," he explained, "the client and I were unaware of the actual state of the equipment and the technical problems we would encounter in putting it right. For this reason and the lack of any knowledgeable person in the country on this specialized equipment, [the plant] would not have been rendered operative except by the technical/engineering ability of the VE."

That ability was called upon again in 1988, when Mr. Szpitalak returned to Sri Lanka to assist Wilton in setting up some metal-coating machinery that the company had purchased from none other than Continental Can.

The effectiveness of Mr. Szpitalak's initial three-month consultancy and his return visit is reflected in Wilton's sales revenues. In 1986, the company grossed about 10 million rupees (about $250,000). By 1991, it was grossing more than Rs. 80 million and was ready to expand into the lucrative field of metal signage.

Not surprisingly, this move was to be orchestrated by another VE. The new VE was named Bill Gott, and like Mr. Szpitalak he had previously worked for Continental Can. He came to Sri Lanka in 1992 and, according to Mr. Perera, made a good first impression.

"From the [first] day he came here, he was like one of us," Mr. Perera said. "It was like he'd come here a long time ago."

Charming managers and line workers alike with his easygoing manner, Mr. Gott concentrated on bringing the company's newly acquired wet-offset printing press on-line. The press, a second-hand model purchased from a seller in Canada, would be a vital component in the company's new sign-printing venture. It had to be reconditioned and factory employees had to be trained to use it properly.

To say that Mr. Gott succeeded at these tasks would seem an understatement to Mr. Perera and his employees. Mr. Gott's visit was the sort of experience, Mr. Perera said, that made him and his employees view Americans in a new light. The figurative links that Mr. Gott's visit forged were not merely commercial, but cultural and personal.

"I must tell you, Bill was a very popular man here," Mr. Perera said. "He was equally good from top to bottom--from the very lowest employee to the very top....After he left, he has written to all of us. He has written to the driver, he has written to me, and he has written to all the people in between."

Each letter, he suggested, is another link forged in the IESC chain of international contacts, relationships, and friendships.

VE ASSIGNMENTS IN SRI LANKA (1984-1992)

1.	S. Smith	- Haycarb	- October 1984
2.	F. Noble	- L.B. Finance	- November 1984
3.	E. Engel	- Lanka Canneries	- November 1984
4.	B. Coster	- Masons Mixture	- November 1984
5.	O. Schricker	- Aitken Spence (Computers)	- January 1985
6.	R. Steele	- Aitken Spence (Garments)	- February 1985
7.	E. Swan	- Thompson Associates	- February 1985
8.	C. Stein	- Aitken Spence (Printing)	- March 1985
9.	B. Hofreiter	- Chemanex Ltd.	- March 1985
10.	C. Heckman	- Richard Pieris	- March 1985
11.	R. Williams	- Singlanka Standard Chemicals	- March 1985
12.	J. Parham	- Perera & Sons Bakery	- April 1985
13.	E. Suborz	- Richard Pieris (Steel Furniture)	- April 1985
14.	S. Klein	- Polypak Plastics	- July 1985
15.	J. Geris	- Richard Pieris	- July 1985
16.	E. Murray	- ANCL (Personnel)	- September 1985
17.	J. Hickey	- Paints & General	- September 1985
18.	G. Potts	- ANCL (Technical)	- October 1985
19.	J. Botts	- Mel Ads	- October 1985
20.	B. Rogers	- Christombu Farms	- November 1985
21.	W. Szpitalak	- Wilton Metal Box	- December 1985
22.	A. Lincoln	- Dipped Products	- January 1986
23.	D. Andrews	- Maharaja Organization	- January 1986
24.	P. Richardson	- Steuart Pattakannu Jewellery	- January 1986
25.	H. Blum	- BST (Pvt) Ltd.	- February 1986
26.	J. Murray	- Hayleys	- February 1986
27.	C. Brown	- Lankem Ceylon	- February 1986
28.	R. Meekins	- Woodplex	- February 1986
29.	P. Miller	- Ceylon Breweries	- March 1986
30.	B. Coster	- Masons Mixture	- March 1986
31.	E. Torrence	- YMCA Youth Leadership	- March 1986
32.	M. Rapaport	- Industrial Asphalts	- April 1986
33.	J. Kramer	- DSI	- May 1986
34.	J. Warnock	- Alucop Cables	- June 1986
35.	P. Ito	- Lanka Quality Food Packers	- June 1986
36.	B. Hegman	- Colombo Paints	- July 1986
37.	G. Weffert	- Ceylon Gas Company	- August 1986
38.	R. Hanna	- CARE	- August 1986
39.	R. Lawrence	- CIC	- September 1986
40.	Van Winfree	- Ceylinco	- October 1986
41.	G. Bauermann	- Brown & Co.	- January 1987

42.	K. Fitzsimmon	- Lankem Ceylon	- February 1987
43.	R. Edgerton	- Ceylon Tobacco	- March 1987
44.	W. Kamin	- Ceylon Tobacco	- April 1987
45.	A. Simpson	- The Finance Co. Ltd.	- May 1987
46.	C. Pipkin	- Hunter & Co.	- August 1987
47.	D. Ramlow	- John Keells	- November 1987
48.	W. Franks	- Masons Mixture	- January 1988
49.	P. Koproski	- Nisol Corrugated Cartons Ltd.	- January 1988
50.	R. Gurian	- Richard Pieris	- January 1988
51.	L. Barber	- Tan Lanka Leather Processing	- January 1988
52.	W. Szpitalak	- Wilton Metal Box	- January 1988
53.	F. Donnelley	- Flexport Pvt. Ltd.	- February 1988
54.	J. McGlamery	- Air Lanka Ltd.	- March 1988
55.	M. Chandler	- Air Lanka Ltd. (Personnel)	- March 1988
56.	G. Johnston	- Ceylon Chocolates Ltd.	- March 1988
57.	R. Fricke	- Ceymac Rubber Co.	- April 1988
58.	J. Kramer	- Korea Ceylon Co.	- May 1988
59.	R. Battie	- Intermark Trading Co.	- June 1988
60.	J. Karsten	- Neil Fernando & Co.	- June 1988
61.	J. Hammond	- CISIR	- August 1988
62.	R. Lynch	- Ceylon Match Co.	- November 1988
63.	E. Landreth	- Hentleys	- January 1989
64.	J. Johnson	- NDB	- January 1989
65.	R. Gurian	- Richard Pieris	- January 1989
66.	S. Klein	- CISIR	- February 1989
67.	J. Burley	- Sri Lanka Tyre Corporation	- February 1989
68.	H. Marckwardt	- Air Lanka Catering Services	- March 1989
69.	L. Small	- NDB (Personnel)	- April 1989
70.	H. Geeraedts	- Paper Containers Ltd.	- May 1989
71.	R. Watson	- John Keells	- June 1989
72.	J. Musso	- Printcare Ceylon Ltd.	- June 1989
73.	A. Kuzmuk	- Richard Pieris	- August 1989
74.	J. Banks	- United Motors	- October 1989
75.	W. Bracken	- Central Finance Co. Ltd.	- November 1989
76.	W. Beddington	- Ceylon Chocolates Ltd.	- November 1989
77.	N. Davis	- Jewelknit Ltd.	- December 1989
78.	W. Beddington	- Ceylon Chocolates Ltd.	- January 1990
79.	S. Sanfilippo	- Masons Mixture	- January 1990
80.	R. Gurian	- Richard Pieris	- January 1990
81.	K. Lynn	- United Motors	- January 1990
82.	R. Cox	- Richard Pieris	- January 1990
83.	H. Moorman	- Phoenix	- January 1990
84.	T. Howley	- Magalle Trading Ltd.	- May 1990
85.	Lochnicht	- Seylan Bank	- May 1990

86.	R. Williams	- Singlanka Standard Chemicals	- June 1990
87.	D. Simms	- Sampath Bank	- July 1990
88.	E. Ciccotelli	- Ceylon Chocolates Ltd.	- August 1990
89.	C. Porter	- Nisol Corrugated Cartons	- September 1990
90.	G. Owen	- Abans Ltd.	- October 1990
91.	M. Abriss	- Polycoat Pvt. Ltd.	- October 1990
92.	W. Voorhes	- Alucop Cables	- November 1990
93.	R. Gurian	- Richard Pieris	- December 1990
94.	W. Peters	- Commercial Bank	- January 1991
95.	D. Babcook	- Ceylon Breweries	- January 1991
96.	J. Bradley	- Cargills	- January 1991
97.	C. Stanford	- Ceylon Business Appliances	- January 1991
98.	P. Roulac	- The Finance Co. Ltd.	- January 1991
99.	J. Friedman	- DSI	- June 1991
100.	J. Edgar	- Pure Beverages	- June 1991
101.	D. Dumars	- Samson Rubber Industries	- June 1991
102.	E.Ciccotelli	- Ceylon Chocolates Ltd.	- July 1991
103.	R. Allen	- Zellers Confectionery Ltd.	- August 1991
104.	C. Fox	- Acme Aluminium Co.	- September 1991
105.	W. Fox	- Richard Pieris	- September 1991
106.	J. Bradley	- Cargills	- October 1991
107.	J. Graff	- Asian Electricals	- January 1992
108.	R. Lambert	- Ceylon Tapes Ltd.	- January 1992
109.	L. Weinberg	- Forbes & Walker Ltd.	- January 1992
110.	J. Basto	- Polycoat Pvt. Ltd.	- January 1992
111.	P. Seever	- Richard Pieris	- January 1992
112.	R. Gurian	- Richard Pieris	- January 1992
113.	R. Davenport	- Equity Investments	- February 1992
114.	G. Thompson	- Hemas	- March 1992
115.	W. Gott	- Wilton Metal Box	- April 1992
116.	R. Smith	- CISIR	- May 1992
117.	J. Pagliaro	- Cargills	- June 1992
118.	H. Leppert	- Ceylon Biscuits	- July 1992
119.	Peter Kite	- Aitken Spence	- August 1992
120.	E. Furstner	- Aitken Spence	- August 1992
121.	S. Cholmar	- Phoenix	- October 1992
122.	H. Kaplan	- Ceylon Essence Beverage Co.	- October 1992
123.	R. Rickert	- Mendis & Co.	- November 1992