

COVER STORY

# Interview with SHANIL FERNANDO

Managing Director, Sysco LABS Sri Lanka - Captive Center for Sysco, the World Leader in Foodservice'

*"I strongly believe that in any crisis, opportunity exists and the economic situation in Sri Lanka is no exception. This is a prime opportunity for local businesses – whether it be start-ups, SMEs, or even more established players like us to rise and use our talent, ingenuity and innovation-driven mindsets to bring in more export revenue to the country. It is also imperative to encourage, develop and promote export-led industries across the board. Becoming self-sufficient and moving away from our import-dependent model to a more export-driven model, will help to start leading the country towards rapid development."*



**As the Technology arm for the world's largest foodservice company, how would you describe the impact Sysco LABS is making by harnessing Sri Lankan talent and ingenuity?**

Sysco LABS is the captive innovation arm of Sysco Corporation – the world leader in foodservice and a company that is ranked at Number 70 on the Fortune 500 list. We develop innovative software solutions to enable Sysco's global organisation - from a best-in-class e-commerce solution – Sysco Shop, to re-imagining the

Technology Operations Command Center that operates out of Sri Lanka to support Sysco's op-

erations in the US and around the world. The work that we do here in Sri Lanka harnessing Sri Lankan talent and ingenuity, is transforming a trillion-dollar global foodservice industry. That is a significant impact. To put this further into perspective, Sysco employs more than 58,000 associates, operates 343 distribution facilities worldwide and serves more than 650,000 customer locations. For the 20/2021 fiscal year that ended on 03 July 2021, the Company generated sales of more than \$51 billion – this is the level at which our associates work daily. There's tremendous potential in the engineering teams we have built here. They are experts in the foodservice domain. They are a part of a global team which knows no boundaries and together with Sysco's teams, they are influencing how a Fortune 500 company thinks, works and prepares for the future. They create future-ready technological solutions daily which enables Sysco to become a company that is ready to take on the future, all because of the talent, ingenuity, agility and work ethic that our teams bring to the table.

**What does it mean to be a part of a Fortune 500 company – Sysco Corporation? How has this recognition helped Sysco LABS in Sri Lanka?**

The Fortune 500 is a prestigious list – known by everyone around the world. To be a part of the world leader in foodservice and a company that has been listed on the

Fortune 500 list for over 7 years is an incredible honour and privilege. To have Sysco represented here in Sri Lanka is something we can all be immensely proud of. How this has impacted us here in Sri Lanka has to do with the present war for talent. Although the world has seen the capability and the ingenuity that Sri Lankan talent can bring to the table, Sri Lanka's supply of this IT talent is severely limited and the war for talent is one of our key focus areas. Thus, being the only IT company that is a part of a Fortune 500 company, has helped us build and develop our corporate reputation and image which plays a key role in identifying top-tier talent. The fact that the Company is a market leader is also a key factor in retaining our employees who want to feel that they are a part of a company that is global, stable, well known and is doing work which is rewarding and impactful. They also want to work for a company that has built and maintained a powerful reputation over time and this is true of Sysco. In the company's 50+ years of experience, they are making a difference in the communities they operate in while building and sustaining impressive organisational growth.

**What opportunities and barriers do you face in the prevailing economic environment in the country and how are you addressing these factors (exchange rates, political turmoil, brain drain of the talent pool, etc.)?**

I strongly believe that in any

crisis, opportunity exists and the economic situation in Sri Lanka is no exception. This is a prime opportunity for local businesses – whether it be start-ups, SMEs, or even more established players like us to rise and use our talent, ingenuity and innovation-driven mindsets to bring in more export revenue to the country. It is also imperative to encourage, develop and promote export-led industries across the board. Becoming self-sufficient and moving away from our import-dependent model to a more export-driven model, will help to start leading the country towards rapid development. However, for companies and communities to thrive in the present context, social stability is the most important thing. For us to achieve this, people must be able to easily access necessities at affordable prices. Without essentials such as fuel, medicines and gas, a country cannot survive – much less thrive. To encourage growth, we must ensure that our people are fed. Further, bureaucracy and corruption should be annihilated if we are to attempt rebuilding our country and its economy. This is true for both the public and private sectors, which need to be run on meritocracy and accountability.

One issue which has a direct impact on us is the brain drain. Due to the great re-shuffle (a post-pandemic phenomenon that saw employees re-evaluating their priorities in relation to work-life balance), coupled with the economic situation in the country, many companies are falling prey to this situation – which sees a boost in skilled workers migrating to seek greener pastures. To counter this issue, we at Sysco LABS are of the mindset that while we cannot offer associates a complete solution to the country's issues, there are some areas where we as a company can step in to support them. Thus, we offer our associates access to globally competitive total rewards and benefits packages. This includes access to numerous employee

wellbeing initiatives such as physical and mental health reimbursements, along with enhanced insurance, loan facilities and even financial assistance on off-grid energy solutions. Introducing such benefits has helped us to build and retain our workforce of more than 800 associates despite the economic crisis and the pandemic. Even through these challenges, our staff turnover rates are much below our peers in India. Our strong brand also allows us to continue to attract good people from the market.

**Where does Sri Lanka stand in the global IT spectrum and in your opinion, can Sri Lanka compete in the global arena to become a premiere IT destination?**

The global ICT sector started around 1995/96. Prior to that, countries like Sri Lanka were all doing work that was specific to their country. Since then, we have seen a significant integration of talent from countries such as ours with more advanced western countries like the US. If you look back to 1996 for instance, there were a lot of things happening in America that we could not do here. This was because we did not have the specialised skills at that time. However, with the advancement of the internet, globalisation and access to information, we saw a number of things that were taking place in the rest of the world, happening increasingly here in Sri Lanka too.

To give you an example, the early days of outsourcing were centered only around maintenance or accounting. Today we are providing offshore talent in the form of advanced software developers, first-class engineers and so much more - all the things that are done in more developed countries can be done here. Since independence, with connectivity and the internet, the world truly became more global, countries opened much more and in the IT industry, amazing skills, talent, and capabilities were able to perform on an international stage. What we

are now seeing in the industry is that companies like us have been able to create platforms for our engineers to play in the international space with graduates from leading global universities competing and working with them to create solutions that are at the forefront of imaginable tech. That is the beauty of what is happening in the ICT industry and it shows how much potential there is. Sri Lankan IT is known for small, agile complex problem-solving skills. We are not a location for significant scale. As a country, we have dropped in our standing to 23 in the AT Kerney Global Services Location Index report for 2021. These are reports that are studied by investors and we need to be on top of them to continue to thrive amongst the competition. Recent social and economic issues will reduce our rankings further. Sri Lanka has all the ingredients and the platform to be a premiere IT destination. However, more work is required to make it a reality.

**How will your company and the IT industry provide leadership for the economic recovery of the country?**

As a company, Sysco LABS has grown to more than 800 associates across the organisation. This is export revenue coming into the country. We plan to encourage Sysco to shift more projects to the Sri Lanka captive centre which will further enable us to bring well-needed forex into the country. Even through these challenging times we have grown our teams.

The IT industry can play a key role in Sri Lanka's economic revival. We have, as an industry, brought in a little over 1 billion USD at this point and we plan to reach a target of 3 billion USD by 2023. If we can focus on offshoring and develop this model and product, there is zero importation cost. This means that all revenue brought into the country by the industry would be a direct USD injection into the economy, contrary to low-cost garment manufacturing in Sri Lanka.

As an industry, we need to activate our plans – highlight our values and show what we can offer to the economy and actively campaign for state support. We need to bring in a start-up mindset and accelerate to disrupt the current situation. We also need to bring in more foreign investment with more investor events and outreach programmes, which will help to get the word out to the international community that Sri Lanka is a key player in the IT industry by highlighting the quality of our innovative solutions.

Further, we can also do more manufacturing and assembly of computers and related products by leveraging our geographic location which will enable us to have access to the supply chain and shipping routes.

**Finally, what do you hope Sysco LABS accomplishes in the next five years? What plans are in the pipeline for Sysco LABS going forward?**

As referenced above, we are a part of Sysco – the foodservice giant. As part of the company's recipe for growth and in line with our purpose of 'connecting the world to share food and care for another,' the future looks exciting.

Sysco is actively looking for ways to improve their offering – and we bring in the innovation and digital transformation which they realise is key to future proof their organisation. Our technology is present in multiple touch-points across the foodservice journey – spanning from the farm to the warehouse, to pricing, routing, delivery, people management and continuous support – and we have barely started. We have a great platform and a trusted relationship which can take the world leader and the global foodservice industry to even greater heights. I am excited for the years ahead and to see the continued impact of Sri Lankan ingenuity on global foodservice.