

A Successful Entrepreneur of Sri Lanka

Posted on

More than half a century ago a 9-year-old boy came with his family to settle in a village in Sri Lanka. Today, at the age of 66, Mr. A. Y. S. Gnanam is one of the leading industrialists of the nation. Shalini Wadhwa of EXPLORE SRI LANKA interviews Mr. Gnanam to etch the profile of a man of integrity, vision and rare entrepreneurial skills.



Mr A. Y. S. Gnanam, Director, St Anthony's Consolidated Ltd.

Mr. Gnanam is definitely not an example of a man born with a silver spoon. His parents

could never have imagined that the son born to them in their modest house in South India would one day become a multimillionaire. Hailing from a family of small-scale businessmen (his father ran a grocery shop), Mr. Gnanam considers himself to be without any exceptional talents and a very ordinary man. With no educational background, training in marketing or management qualifications he has proved the age-old adage that “man is his own master”. Recalling the family background and the limited resources he confesses with obvious pride, “I am a selfmade man-this is the result of my enterprise, hard work and honesty.” Educated in a small village school, from a very young age he had dreams of building one day the industries and factories which he now owns. Starting with the collection and export of scrap iron during World War II, he built up his financial resources, and eventually with a paltry sum of Rs. 10,000, considered astronomical in those days, he commenced the import of new hardware items. He took no loans from any bank and all the earnings were recycled back into the business to maintain its cash flow. Later on credit facilities and loans were obtained from financial institutions. “When the company ran the first overdraft of Rs. 25,000, it seemed like a very big amount,” he reminisces. The first investment was made in land, a wise decision it would seem since it was to pay rich dividends later.

Today at the site stands St. Anthony’s Consolidated Building. During Mr. Bandaranaike’s government he was the leading importer of all hardware with 50% of the market share. Most of this business was carried out with England since Japan’s presence was yet to be felt in the world market. However, a difficult time was faced by every business house when importations and restrictions were placed on all imports: later, soon after incentives were offered to entrepreneurs, Mr. Gnanam entered the fledgling field of textiles garments. Alexandra Industries, now the main exporters of sweaters to Germany, France and America, was also set up. He played a major role in the industrialization process gripping the country during Mrs. Bandaranaike’s government, and he declares emphatically: “Any country can develop if the people are disciplined.” Having had the opportunity to travel abroad quite frequently, Japan is his favourite country. “I admire the discipline of its people. The industrial and technological growth is staggering.”

Today Mr. Gnanam’s three sons, all educated abroad, help manage the expanding network of St. Anthony’s Industries, St. Anthony’s Consolidated, Cement Factory, and their textile and garment industries. The first modern spinning mill was established by him, and one of his sons continues to be a director there. Mr. Gnanam’s wealth has, however, made no difference in his outlook and way of life. He continues with his 12 hour a day work schedule managing the affairs of his empire. Modest and humble he has not fallen prey to the weaknesses of the nouveau riche: Mercedes cars, flashy life-styles, shallow principles and deteriorating values. Having suffered heavy losses during the 1983 ethnic riot of the country

- when several of his properties were burnt down - there is no visible sign of bitterness, only an unshakeable belief that “if you are good and believe in God, nothing can destroy you. All the problems disappear in the face of your strength and capabilities.” The rebuilt buildings and factories stand testimony to his convictions.

During the interview Mr. Gnanam expresses his views on: Economic Philosophy I am a staunch believer in a free economy and the opportunities it offers for growth and development. Man has to be motivated to work for himself and for the country - working for his own gains, he produces more thus benefiting the country as a whole. Capitalism is the only answer for economic development as everybody gets a chance - educated or uneducated. A man of ability and vision can achieve great heights. Having travelled to countries with state controls and repressive economies like China and Russia, I realized that their experiments with communism and socialism have not worked and controls have stifled enterprise. The quality of life is very poor indeed. However, I also found that having realized their systems are not working, they are now offering more incentives to individuals and more independence to the entrepreneurs.

International and Local Politics

It is my belief that the politicians should be good at heart and have the welfare of the people in mind while formulating policies and laws of the country. The policies adopted should offer opportunities to everybody and be related to shortening the gap between the rich and the poor-lessen the economic difference and open avenues for employment. I feel the solutions lie in learning from the industrialized nations of the world such as Japan. We have to think together as a people, as a nation-overcome our religious, language and caste barriers and look to the future-build our country as a power to be reckoned with and offer the future generations peace and prosperity. Peace is at our doorstep and yet is eluding us. The solutions to our ethnic problems are offered yet not accepted by various groups, as a result the country is suffering. Discipline in thought and action is the key to our country's success and future. If the people of a nation are not disciplined, the country has no future, no prospects.

Philosophy of Life

We are all born equal. Unfortunately it is man who has created the differences of caste and religion. I envisage man to be the creator and builder of his own fate, his own destiny. The centuries old doctrines and religious expositions that a man is born rich or poor, brahmin or scheduled caste according to his fate and God's will hinder and retard the achievements and success that man is capable of. I believe in myself, my abilities, my strength and that as a

result of my hard work I shall achieve what I want.

Education

Higher education in today's complex, competitive world of changing technology and industrialization is essential. My very small contribution to this has been the forming of a committee which, on the recommendation of various universities, annually awards 20 scholarships to outstanding students from different sections and communities divided according to regions.

Ambitions and Future Plans

My one unfulfilled ambition is to build a university in the name of my father. I am not materialistic and it is neither my ambition nor my goal to make more money. Yet I want to achieve and create more in my lifetime and to be involved in the continuous process of improving. I hope I am doing so. We opened a new factory in June, but there are no other plans in the offing for the immediate future.

Sri Lanka's Future

I have ample faith in the future of my country and know that it will be good. I am conscious of the talents and intelligence of our people and know that even the northern and eastern regions wrecked by the crisis of the last few years can develop very quickly once peace is restored. During my visits abroad to Korea; Taiwan and other countries I have met innumerable businessmen who are ready to invest in Sri Lanka because of the low cost and availability of labour. Once we solve our ethnic and racial problems and concentrate on development, we can and shall grow at a tremendous speed.

Business Policies and Ethics

Over the years our organization has built a name and reputation which I value more than money. Our policy is "Truth and Honesty" in all our dealings with our clients and our business associates. Customer satisfaction is our priority and people come to us even if they have to pay a little more because they know that we are reliable. Our credibility brings back our clients in spite of the killing competition which is now prevalent in the market. I tell my children to invest in the future name and reputation of the company by being honest and truthful today.