



# IT IS PASSION WHICH DRIVES YOU TOWARDS SUCCESS

## MR. DINESH SAPARAMADU

FOUNDER OF hSenid  
GROUP OF COMPANIES

**W**e had the privilege to interview the CEO of hSenid, Mr. Dinesh Saparamadu, the modest man who founded the hSenid Group of Companies and Peoples HR which provide HR and mobile solutions in about 30 countries around the world. The interview was focused on the inception of hSenid, past setbacks, achievements and Mr. Dinesh's refreshing management style. He was keen on sharing his experience and advice with the budding entrepreneurs of Sri Lanka. As we were escorted through the open office, there was a relaxing and amiable atmosphere. There was a theme of lime green, black and white, and the employees seemed engaged and content in their work. We were welcomed into a pleasant office by the CEO himself.

**For the readers who are not aware of your business, how would**

### **you summarise hSenid?**

First of all, it's Senid, the 'h' is silent. hSenid is a vertical group of companies with each focused on HR systems, mobile platforms, and joint ventures with other countries or companies. On the other hand, hSenid Ventures works on bringing Japanese education to Sri Lanka, such as in terms of business mannerisms. On the other hand we have hSenid Resorts which is non-IT and goes into areas of boutique villas. Those are the four pillars of hSenid.

### **How would you describe yourself? What defines you as a person?**

I think the only way that I can define myself is that I like to work with people to get the best out of them. I am not a micromanager, I empower people, give them ideas, and kind of question them about what they are doing. For me, it's

to really look at the next big product or service. hSenid is about 90% IT so we own our own IT property, and our products are sold in about 30 countries to over thousand customers. So, my management style is, I question people, I talk to them but I get them to run their own business.

### **What do you think is the best way to empower your employees to make them work harder and be more productive?**

I think the best way to empower people is to give them the freedom to grow and explore things. A lot of our managers and teams here allow employees to explore and approve them – some of those actually become products for us, so we know a lot of our products being sold overseas are internal novel thoughts. We are working on next generation products that will be launched in the future.

## Where did your business idea originate from? Is there something specific which inspired you to start a business in the area of HR?

Not really, what inspired me was that I was looking for a good opportunity when I came back. My background is I studied and lived in the US for 10 years, came back in 1996. I wanted to start something that would have an impact, and have a way to build a company. Back then HR was not something people were thinking about and I had an opportunity because one of the first companies asked me if we have an HR system. We didn't have an HR system, but I'd previously worked on HR at Pepsi-Cola in the US, so I said let us build that together. That's how the HR thing came into place. Then when we started a new business, we spun it off as a separate one. A lot of businesses make the mistake of becoming a Jack-Of-All-Trades – they try to do all kinds of stuff but nothing happens. So we said we would be very focused and we want to be number one. If there are any install systems in Sri Lanka, 80% of them are run by hSenid HR.

## What is your typical working day like? What are the daily challenges you face?

It's different for me. What I did when I started and what I do now is very different. When I started, I used to be very hands-on. Now I look at a very different business development. My typical day

starts at maybe about five in the morning because I work from five till about six-thirty or seven in the evening. There are calls in Australian timing, US timing – today I've a call at 9 AM, East Coast time's 6:30 PM. Most of the time they're calls, then I go and do something like work out, or go out. I've three offices in the

different companies, so I go to them. Most of my work is just talking to people and seeing what's going on but it's structured. We've an Open Door policy but it's rarely that people come. Most of the time these days, it's about building partnerships and travel. I travel 50% of my time. We have some Scandinavian customers here, tomorrow we will have Japanese customers. So that's kind of the typical day.



It sounds like you have a lot of international partners and clients. Are there any issues you face when dealing with a great number of international clients?

No. I think from the day 1, that's been our focus. We know Sri Lanka is a small country, it's a great test market. We started our first outside operation in, maybe, 2004, in Singapore which had 4 or 5 offices worldwide. We're currently setting up the Bangladesh office. There are offices in Australia, Singapore, India, Kenya – we've customers in about 30 countries.

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## What kind of corporate culture do you envision for your business?

If you really walk around, you see all these pictures and stuff like that, right? So that's new. Culture is a very big thing for me, it all depends on what you decide. We did our first structural culture diagnostic by identifying culture,

bringing it down to the characteristics and stuff. We did that in 2008 because we were growing so fast. Then again, last year we started a culture exercise because we turned 20 years. So the corporate culture for us is all about cultural values, behavioural of that, and getting people aligned to that kind of behaviour. The issue is that you get people from all over the country or all over the world, so they come with different backgrounds. For them to really fit into an organisation, you have to have a culture.

### You mentioned that hSenid grew very fast. Did you have any changes to your vision or goals as it grew?

No, from the beginning our vision was very simple. We were very focused on what we should do and being very good at what we do. Even now, we differ in different things because the business has changed as we move into another line or area, but we are focused. It's a constantly fast growing industry.

### Entrepreneurs are full of ideas, what are your hidden inspirations? How do you generate your ideas?

I think ideas for me are the starting point. I've this saying "Ideas are cheap" because everybody gets ideas. So you can have a great idea but a poor execution would not get you anywhere. If you've a mediocre idea and you execute it well, you can make it very good. I constantly get ideas and sometimes we actually execute those ideas. Some of those things are passions more than ideas. More than ideas, it is the passion that you have to have. So have

the passion and do something, you can make it happen.

Now we're starting a huge initiative for wellness, so we want to be the next IoT and wellness company in the world. We have a lot of passion for that, and we're integrating into a lot of IoT and sensor devices.

### How would you separate a good idea from a bad idea?

There's no good idea or a bad idea. All ideas are good as long as you think through and look at it. There are ideas that work well and don't work well. But if you don't know whether it's a good or bad idea, do research on it. So when you research, you sometimes find out it's been done multiple times and such has been the outcome. At that point what you do is say 'fine, let's do something else.'

### What would you consider your greatest entrepreneurial achievement?

It shouldn't be one thing, but I think there are multiple things we have done, so the best thing is we have so many people going through the hSenid. We've built a great ecosystem of people who've been through the hSenid culture, we've built great products that put Sri Lanka on the map. We've helped our customers efficiently manage their HR. A couple of months ago, I was in a panel discussion where the moderator said "You all completely disrupted the HR market" and I asked "What do you mean by that?" He said "Earlier we used to have roles called 'leave clerks', 'payroll clerks' and 'attendance clerks' which were to manage attendance and leave."

So when we came in we actually automated the whole thing. So we didn't replace those people but we gave them higher value added jobs to do. We disrupted the whole efficiency of that so I think those are great achievements as a country. When you go to African countries, you see that HR and the process are 10 or 12 years of what we used to be. So you can see the potential. As a company, those are what we have been able to achieve. Individually, the best thing for me is I've a great team of people who really blossom out. We did something called 'Purpose of Existence' which for me is about polishing the unpolished gems of Sri Lanka and bringing them to the world. So that was the purpose of existence for me when I started hSenid.

### We heard you got an award from the British Computer Society; we are quite interested in the backstory behind that and how you came to achieve it.

The BCS awards was a very old one, many years old. After that I became the Entrepreneur of The Year for 3 years. That's a Sri Lankan award, which was like the pinnacle of the whole thing. There was no real background to it, it's just that you apply to it, they audit all the stuff and they score. I think we got the best marks. The guy who came 2nd had –maybe- five times more revenue than us. I definitely knew it couldn't be on revenue. A lot of those things, awards and stuff like that isn't really a way of measuring whether you're good or bad, but it's a way of recognising you're doing something right. You should never be too happy about getting awards and things like that because none of those are permanent stuff – you may get it

today, you may not get it tomorrow.

## What do you think about diversification strategy in Sri Lankan IT market?

That's where I said we're pivoting, one of the things is the turbo market that is leading here. Turbo market is actually going through a tough time because a lot of tough stuff happens when you're in it, and that is why we are moving into IoT Wellness. You want to diversify on your core competencies so you move in that area to a better but similar area. You don't completely build up there, or else you'd have to build your whole domain knowledge into that area.

## Other than your core competencies, what would you say gives you a competitive advantage over other IT firms in this country?

Every IT firm has its own core competencies. There are some firms that are very good in their software outsourcing, some are very good in their recruitment areas. Our core competencies at the moment is engineering, and the high-throughput systems that we build. If you've Dialog phones, every SMS that goes through the Dialog system is our system. During Christmas or New Year time, there are 7,000 messages a second. So those are very high-throughput systems and that is our core competency. Dialog's Idea Mart is our platform, they won an award and there are many businesses built around that. They do about Rs 50 million a month on that platform which was built by us. Those are cutting-edge, very innovative stuff because I think Sri Lankans inherently have an innovative mindset to do this. The important thing for companies like ours is to

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take that and commercialise it so that you can actually bring value to that. So you create your intellectual property.

## As the business continues to grow, what are the top three countries that you would like to work with?

We don't have specifics, for me the countries we're currently working with and focusing on is the US and Japan. We have special interest in those countries. I've a Japanese team and we're building Japanese university affiliations. As you can see in this office, I've a lot of Japanese stuff, from Japanese swords called Katana to Japanese tea. Japan is a very special market

and I'm passionate about it.

## Are there any Japanese work ethics you would like to apply to your business?

Yes, very much. I actually recruit people who've worked in Japan for 15-20 years. So our teams bring Japanese mannerisms and cultural aspects into Sri Lanka. Second would be the US, it's my second home because I'd been there for so long but had given up on the US since it was too far for me. Now I want to start something and launch it at Silicon Valley.

## Just to rewind a little, what were some major setbacks you faced when starting the business?

Previously, every day had setbacks. The biggest thing is not having enough people or not enough middle managers, and the inability to access markets. Those were continuous issues for a company before, along with capital constraints. But now with the start-up ecosystem that could be an early stage thing. Those are not really setbacks, those are common things you look at and deal with.

## Did you have a lot of supportive people around you at first or was it mostly your doing?

The interesting thing about a CEO is that it's the loneliest job. You don't have that many people, although there are many people. My biggest support came from my parents, especially my mother at the early stage. She's the one who really supported me when I started. I started with 3 employees and my whole office was given to me rent-free by my mother. She gave me that to run the company. No rent, nothing, but I had three

employees and we grew from there. That's why if you look at our background, we talk about starting with 3 employees in 1997 and growing up to 500 employees. If you ask me about the support, it was my family, my mother and my wife. The problem that we have in Sri Lanka is that we don't have enough people who are entrepreneurial, who want to work and to take certain ideas and to run. Like I said, ideas are cheap, execution matters. Similarly, it's not the lack of opportunities, it's the lack of people to take those opportunities and run. That's the difference. If not, I can tell you 20 things we can do. I'm not starting anything because we don't have enough people to take that and run. If I start, I'll have to spend lots of time in it and I don't want to spend that much of time now.

### Our culture does not involve much of risk-taking, does it?

No, it's not about risk-taking, it's about ownership. Say, for example I recruit you tomorrow and tell you there's a recruitment area, I'll give you all the stuff, but I want you to run it. You have to kind of put the plan together and come say this is how it will be done. But the issue is after two-three weeks there are only two or three things that've been done. So that's where you take ownership. That's lacking in our people. Yeah we fail, but that's fine. One of the biggest things we encourage in our teams is that failures are good. From failures you learn, but the thing is you learn and then you go win, because if you keep at it, you have the right teams and the right support.

### You were talking about challenges and setbacks. Many of our readers are striving entrepreneurs as

### we mentioned. Do you have any advice?

It's all about perseverance. It's all about passion. You should follow your passion. Then you get good people around you to help you out in certain things. In the US, they're called advisory boards. In that new company I've started in the US, I get advice because they may not do exactly what you're going to do, but they've done certain things and have understood what failed, what happened, and things like that. So you talk to them. For any budding entrepreneur, that's the best thing you can do. You know, my CPO did training with me, he is my CPO now, but after finishing training he started his own company with his friends and that was very good. They ran it for 4-5 years and said they're not interested in running a company and decided to go work for somebody, then he joined me. But that experience he brings is a completely different perception and way of looking at things. That's great.

### Hypothetically, if you had a time machine and you could go back and give yourself one management tip, what would it be?

I think-I don't know- if you had a time machine you don't know whether you would do half of the things that you did before. I think the key thing, management-wise, is that you need to empower your teams, their flexibility and the tools they need. And let them do it, don't go and try to micromanage. You have to enable them, give them the tools they need and get them to do it.

### It's a refreshing culture. So, what is your next

### biggest goal and how do you plan to achieve it?

I'm thinking that the biggest thing in my mind is how to really make our products stand out. That's what we're looking for. I don't want to put it very much in detail but I think that's something we want to work at and have people say "That came from Sri Lanka" or "It was built in Sri Lanka." Once you do that, it will do enough.

So you think if one big name comes from Sri Lanka, it will cause a domino effect?

Yeah, but the biggest issue is the country currency, it's a challenge. But if we can do that, I think it'll help the country.

### What are the issues you think the Sri Lankan entrepreneurs are facing right now?

I think there are a couple of issues. I think the biggest issue is access to capital, market and access to people. We must have a framework where we recruit anybody from anywhere. In Singapore, I can recruit anybody from anywhere. If I need to find somebody to do sales, he doesn't have to be Singaporean, can be from Philippines, Malaysia or somewhere else. In Sri Lanka we don't have that framework. So it's very important for us to have what I call a 'mobility framework'. The other thing is access to capital. We don't have enough funds for our companies to grow or develop. Our markets are small and this is a great test market. Test it here, then take it out, and that we have to facilitate. But you can't borrow at 16% and build a business. In such environments, I don't think there will be enough of entrepreneurship ■

*By Henry Robert Welling  
& Yasashmi Wiramasooriya*