

**REVOLUTIONARY TECHNICAL SOLUTIONS FROM A MINI
COMPANY – THE STORY OF CANART**

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A mini company called Canart was born in March, 2015 as a special project to fulfill for grasping an expert knowledge on the couple of critical course units such as Marketing for Human Resource Managers, Strategic Management, Introduction to Entrepreneurship and Business Plan Development. Four mini - companies were formed covering both second (2012/13) and third year (2011/12) batches as two companies per one batch. Canart embarked her outstanding journey as a small business in the second year batch (2012/13) since the beginning of March 2015.

1. Canart Company

Canart Company was incorporated as a dummy company under the department of HRM, university of Kelaniya with an elected board of directors and forty seven (47) shareholders. This is a virtual company but immensely supported to our shareholders (undergraduates) to experience real business models. The

Chief Executive Officer is Mr. Yohan Dhanushka and there are five directors in addition to CEO. To support to the board of directors of the company, five managers and then executives were appointed on voluntary basis.

All employees as well as non – employees were shareholders of the company and the Initial Public Offer (IPO) was carried out by issuing 60 shares at LKR 100. All financing activities were handled by Ms. Nilushi Ekanayake, Chief Financial Officer (CFO) of Canart. Mr. Arjun De Silva, Lecturer, Department of HRM was the promoter of Canart but supported to the board of directors regardless without demarcating himself only to the role of promoter of the company.

Giving an unrivalled IT offering to clients with maximizing the value is the vision of this company and “We give you what you want 24/7. “We care you with assisting to maximize your utilization and we resell you the happiness by returning your regrets” the mission of this company.

2. Business Scope

Canart is an IT solution providing company for various technical issues that people meet frequently and cater to their various technical necessities in a high tech world. Mainly it operates in the electronic retailing industry which is simply known buying and selling various IT equipment to the people who are attaching to university of Kelaniya. Therefore its market includes mainly undergraduates, academic staff and non – academic staff.

When generating the business concept, strategic managerial aspect, entrepreneurial aspect and modern business & social trends were highly concerned. Table 1 depicts briefly the business concept of Canart Company.

The Marketing mix of Canart Company is unique because it operates in a different industry. It shows under the table 1. It can be illustrated in a traditional way of presenting the marketing mix.

Table 1 : Marketing Mix/ Business concept

Product	Price	Place	Promotion
Buy electronics from dealers and sell them within the university (Canart had its own suppliers)	Price is set absolutely below the market price according to the Cost Focus Strategy.	Online marketing and “Brick and Mortar” marketing (physical market place).	E – Marketing Advertising Direct marketing

All business processes and activities depend on the business concept described above, and the detailed view is provided under table 2.

Table 2 : Corresponding Processes and Activities to the Business Concept

Business Concept	Process	Activities
Products	Retail Business	Buy and sell electronics
Solutions	Provide related services	Installation and configuration After sales services Maintenance services Bug fixing
Care	Update Upgrade Purchase the tech-garbage Repurchase used electronics	24/7 online/mobile help desk Diagnostic Resale Recycle

3. Environmental Analysis

It is nothing to argue for convincing that IT is invading dramatically the entire global market. Many local market segments are now coming up with modest IT technologies with maximizing the efficiency in their business processes. Not only markets but also even most of individuals now depend on IT equipment to implement their personal and official tasks. Many opportunities were available and the competition in the target market is almost soften. According to Porter's five forces model, the competition is at the lower level and it allowed company to do the business in a better way. Figure 1 shows the Porter's five forces model of the company.

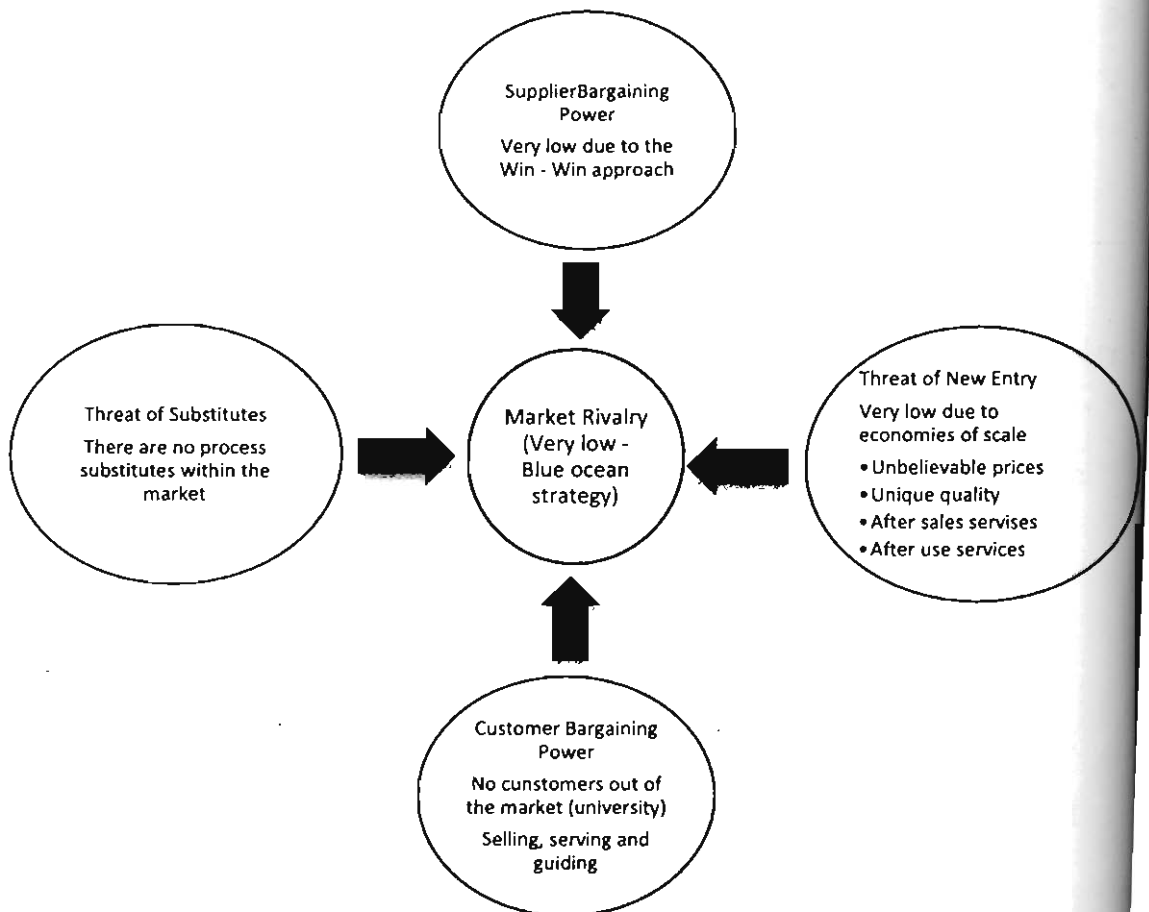


Figure 1: Porters Five Forces Model

The company could clearly identify both internal and external environmental position by conducting a SWOT analysis. Based on the findings from the SWOT analysis, management and the employees perform their tasks, duties and responsibilities by transforming weaknesses into strengths and overcoming threats while absorbing opportunities. Commitment of all shareholders and employees with guidance of the consultant (Mr. Arjun De Silva) ensured the competitive advantage in the market. The SWOT analysis is depicted under the figure 2.

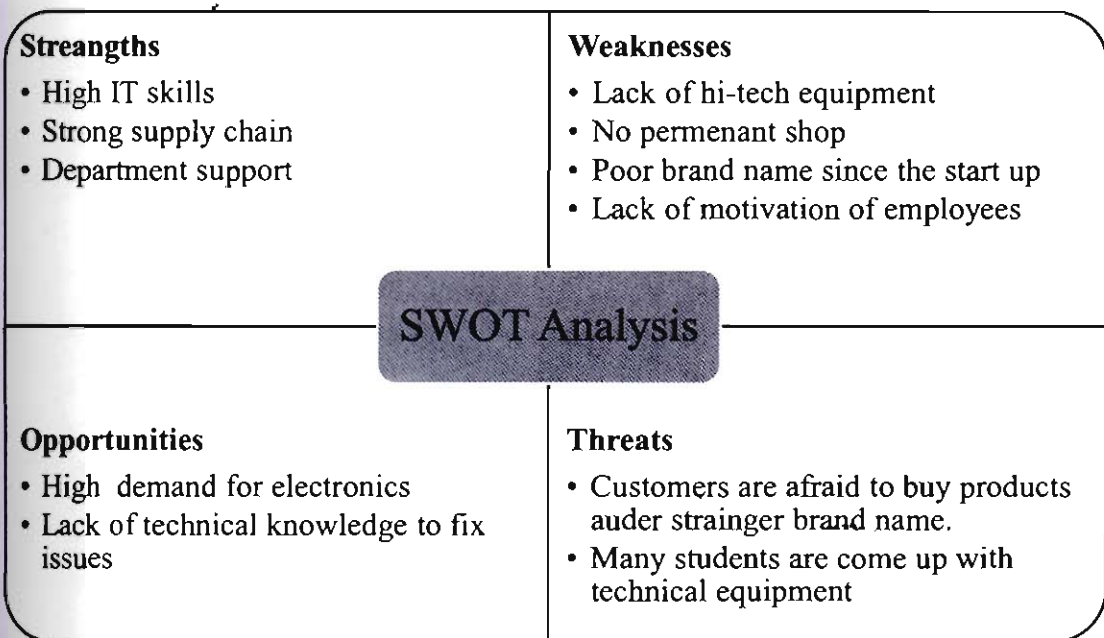


Figure 2: SWOT Analysis

4. Business Activities Engaged by Canart Company

4.1 Computer Repairing Shop

This is the first business activity that the company carried out on 5th and 6th May 2015. This activity was carried out targeting the internal undergraduates. Most of undergraduates belong personal computers but they do not possess

sufficient technical skills to maintain and repair their PCs and they keep PCs for their educational requirements and entertainment. To reduce this gap, management of the company designed a two day program. Following services were provided to clients.

- Booting PCs.
- Formatting the windows operating system.
- Systemizing and configuring PCs.
- Installing necessary software that clients want.
- Servicing PCs
- Consulting

Few of our employees possess relevant technical skills and service providers (resource persons) for this activities are stated below.

- Vimukthi Eranga – He is the Chief Information Officer (CIO) of the company and has successfully completed software and hardware diplomas.
- Prasad Madushanka - He is the Chief Operations Officer (COO) of the company he is the second resource person.
- Yohan Dhanushka
- Thiromi Yasodara
- Anusha Rasanjali
- Rasali Amarasinghe

The financial highlights of the computer repairing shop as follows.

Table 3: Income Statement of Computer repairing shop

Income	(LKR)
Computer repairing income	5100
	5100
Expenses	
Rent on canvas and tent	2200
Fee for repairing	500
Refreshments	500
Bills and printouts	250
Banner printing	470
	3920
Net Profit	1180

4.2 Computer Parts Selling Stall I

This is the second business activity that the company proudly carried out on 6th June 2015. Canart crew sailed towards with continual development. This is not something about repairing PCs but going beyond that by offering brand new IT equipment from Laser Mouse to Laptop at reasonable price at all. This attempt was very successful and the crew was absolutely won the stakeholders' hearts towards the company. Many of company shareholders contributed their maximum by performing assigned tasks and duties.

It is no doubt that this business activity inspired Canart members to engage continually in their business. This was a different kind of experience to many of undergraduates in the university also.

The financial highlights of that business activity are as follows.

Table 4: Income statement of Computer Parts Selling Stall I

Income	(LKR)
Sales Income	59,510.00
	59,510.00
Expenses	
Cost of computer parts	50,160.00
Telecommunication fee	500.00
Printouts	85.00
Other expenses	200.00
	50,945.00
Net Profit	8,565.00

4.3 Computer Parts Selling Stall II

This is the third business activity that the company that the company carried out successfully amidst lots of difficulties and challenges and it was held on 10th September 2015. Many challengers born from sudden macro-economic environmental factor changes could be overcome successfully since the consultant Mr. Arjun De Silva. He guided the crew effectively and facilitated at the right time with right advices.

The financial highlights of that business activities are as follows.

Table 5: Income statement of Computer Parts Selling Stall II

Income	(LKR)
Sales Income	39,405.00
	39,405.00
Expenses	
Cost of computer parts	33,105.00
Refreshments	500.00
	33,605.00
Net Profit	5,800.00

4.4 Sinhabahu Stage Drama

This is the most appreciated business activity carried out by the Canart crew ever in the university. 6th October 2015 was an unforgettable day to the university and it was a wonderful experience to everyone.

Staging an oriental drama like Singhabahu is looking out of the scope of the main business in Canart because it was clearly pointed out that Canart is operating in the electronics retailing industry. But I would like to drag your attention to the missing statement of Canart. **“We care you with assisting to maximize your utilization and we resell you the happiness by returning your regrets”**. Therefore regardless of the industry, Canart cares the happiness of all our stakeholders.

With the intention of generating cash flows to the company for implementing further business strategies Canart crew organized to stage the “Singhabahu” drama. The main focused group was grade 10 and 11 pupils in the schools vicinity of the university. Singhabahu stage drama has an enormous educational value and it is recommended for drama and Sinhala subjects in the

ordinary level syllabus. The company effort was utterly successful could generate a value for both pupils and undergraduates.

As usual, the consultant of the company Mr. Arjun De Silva kept in touch from the beginning to the end of this attempt and the team was achieved the success through commitment and hard work.

The financial highlights of that business activity are as follows.

Table 6: Income statement of stage drama

Ticket Sales Income		368,200.00
Cost of the Drama		150,000.00
Gross Profit		218,200.00
Expenses		
Advertising expenses	26,080.00	
Food and beverages	15,352.00	
Stationary	338.00	
Travelling expenses	8,100.00	
Commission paid to students	19,000.00	
Trade discounts	800.00	
Other expenses	7,060.00	
Total expenses	76,730.00	76,730.00
Profit (Net Income)		141,470.00

4.5 Donation Campaign

The residual balance of after settling all payables to suppliers was unanimously decided to donate to the Cancer Hospital, Maharagama because the company was wound up on 25th April 2016. Since the excess money is not allocated to any business activity, this donation was made.

5. Winding Up the Company

Canart Company was liquidated on 25th April 2016 with keeping her milestones within a short period of time by adding a value to each stake holder of the company. There were some issues in the perpetual succession of the company due to all employees are attaching to studies in final two years. Therefore it is not feasible to fully concentrate solely on the business so that the promoter / consultant and the management of the company unanimously decided to wind up all of its business activities with the effect from 2th April 2016. All bills were payable to suppliers settled and expenses incurred by employees and the consultant for the company were reimbursed. Shareholders were settled aback all of their invested shares with paying them 400% dividend per ordinary share so that the total consideration of one ordinary share was LKR 500 (100 – initial share price + 400 – dividend).

6. Flashback

It is no doubt that Canart offered invaluable experiences to each employee who work committedly in the business. It is much valuable than the academic education because it was like a virtual training that the members got to be entrepreneurs in future world. Unique competencies which are crucial to play critical roles in the corporate sector could be effectively recognized and developed in lives. Finally, it could be satisfied by offering something special to the society as a donation. Canart identified of its responsibility properly to be fulfilled to its owners, employees, department of HRM and finally to the society. Though Canart has already been wound up, the passion, enthusiasm, skills of time management, working under pressure can never be wound up. Therefore in the near future, this mini – company is coming up a “real company” with real entrepreneurs who can really impact to boost up the country’s economy by creating wealth.