

# **REDEFINING THE BOUNDRIES OF SUCCESS, A CASE STUDY ON MAS HOLDINGS, SRILANKA**

D.R.Disabandara

ranjan@fincoengineering.com

*Doctoral Student, University of Kelaniya, Sri Lanka*

## ***Synopsis***

A success Story “Redefining the boundaries of Success” on MAS Holdings, Sri Lanka, is to identify insights of the apparel industry in Sri Lanka, and to emphasize the Key factors which have contributed MAS Holdings to become one of the country’s highest foreign-exchange earners for several decades, Although a plethora of local companies were involved in the manufacture of apparel for global brands, few companies have been able to sustain the momentum, and have created opportunities to build an enduring organization. As the global apparel manufacturing market became more sophisticated, there was a shakedown, not least in Sri Lanka, where only the preferred manufacturing partners for large global brands survived the challenging market forces.

MAS is one such success story. As South Asia’s largest intimate apparel manufacturer, It’s extremely important to assess how MAS has achieved set goals to become the region’s fastest-growing supplier of sportswear and how company manages the entire value chain, from product design, development, manufacturing and raw-material supply whilst commanding the latest technology and knowhow. In addition this study drills down to find out how Innovation the second nature to MAS has helped MAS to become the lead strategic partner for Victoria’s Secret (VS), servicing numerous global brands including Marks & Spencer (M&S), Triumph International, DIM Branded Apparel, Nike, Speedo, ADIDAS, Reebok, GAP and Banana Republic.

This paper will also justify the success story and emphasize on lessons learnt as to how entrepreneurial minds brought life and change which revolutionized the apparel industry of Sri Lanka. What started as a humble manufacturing process has developed in to a US\$ 1.6 Billion revenue generator and a significant contributor for the growth of country’s socio economic factors by improving wealth, providing employment, enhancing life styles by demarcating country’s name in the global arena.

Major theories found in this case story can be highlighted as related and unrelated diversification, differentiation, leadership style driven by philosophy of customer-centric innovations. Company has the habit of practicing value chain analysis keeping quality as the value proposition.

Following can be identified as key learning points of the case study. The company manages the entire value chain, from product design, development, manufacturing and raw material supply whilst commanding the latest technology and knowhow. With in-house research, design, development and product engineering capabilities, providing sophisticated concept to deliver solutions to its customers has helped MAS become successful. Product Innovation is second nature to MAS. From working with Victoria's Secret on fast replenishment models to lean manufacturing with rapid product changeovers, the company's fully integrated model allows it to innovate across the value chain.

Creating Strategic partnerships on a regular basis is a key, in the international market to survive as MAS is the lead strategic partner for Victoria's Secret (VS), servicing numerous global brands including Marks & Spencer (M&S), Triumph International, DIM Branded Apparel, Nike, Speedo, ADIDAS, Reebok, GAP and Banana Republic. Opening up overseas ventures with vertical integration has helped MAS to position Sri Lanka and the region as a center of excellence for intimate apparel and sportswear. The visionary leadership went beyond financial performance and has created opportunity to become world class. Driven by a philosophy of sustainability, the company represents the balance it strives for in social and environmental spheres alongside its operational excellence in all vendor interactions. The group reflects a passionate and competitive spirit balanced by unmatched commitment towards employee wellbeing. MAS differentiate itself through its best practices to position Sri Lanka as the preferred destination for ethical apparel solutions.

MAS has a part of its corporate DNA. By correctly anticipating which way the market was moving, and by adjusting its approach accordingly has been able to position themselves to enjoy a first mover advantage when customers came looking for more than price and quality. Customized product designing is a salient feature of MAS Holdings thus working towards the deadlines placed by customers is decisive factor to maintain the long term partnering with their customer network. Buyers are more conscious about the quality that company maintains throughout the production process.

The MAS philosophy of customer-centric innovations and flexibility has served well in acquiring and sustaining a prestigious portfolio of customers. MAS Holdings implements a web based ERP system that offers all customers the visibility to check the progress of orders placed from anywhere in the world. The system is updated by the factory at the end of each manufacturing process, enabling the customer to keep close tabs on the order placed. The intellectual capital becomes a common problem for whole apparel industry, the working culture of MAS Holdings apparently is different. The employee empowerment is highlighting feature in its working culture, as a result of that the company enjoys a negligible rate of employee turnover.

MAS Holdings (Pvt) Ltd used diversification strategies also to their long term plans to achieve the vision and the mission of the company. Diversification can be applied in as related to the industry or else as unrelated to the industry where the company currently focusing on. They started BNK trading company to control the procurement process in the MAS Holdings. Here BNK supplies stationery to MAS Holdings as they could make a drastic reduction in their expenses. South Asia apparel conglomerate, MAS holdings took a significant step recently, as it sealed its commitment to become the first Sri Lankan company to commence manufacturing in the United States. MAS will achieve this through the acquisition of the Business operations of Acme McCrary Corporation, which is established in North Carolina.

The company has been reinvesting their profits in new technology and expansion programs. That is one major reason for their growth in a comparatively short period. They regularly look at cost cutting solutions; when the costs go up owing to recession or slowing down of export markets, they introduce cost reduction methods. IT is widely used and the employees 'dealings with IT is given the latest equipment to work with. Most areas of the production line are semi-automated. The company has also taken measures to minimize the use of power by introducing green energy solutions such as skylights and solar power systems for manufacturing plants and the water is recycled and used for gardening and toilets in an effort to conserve water. The impressive building structure and the offices with a blend of natural and power generated lights are testimony to this. The company plan to go for total green concepts sooner.

MAS Holdings becomes the latest apparel and textile manufacturer to become a value chain affiliate of the Zero Discharge of Hazardous Chemicals (ZDHC) group, as it works to move the industry towards a goal of zero discharge of harmful chemicals to the environment by 2020.

Mr. Mahesh Amelean is a frequent traveler. He and his team are regular visitors to international apparel fairs and conventions. During these visits they learn about new technologies and trends and pick what is necessary to improve their business back at home. The MAS journey is far from over. Content of this case story could assist as a managerial literature for practitioners and a learning platform for students in combining theoretical aspects with emerging workplace realities. Students can learn ways in which companies are managed, handling different types of managerial challenges and opportunities intelligently, as it gives wide range of business management applications, specially focusing on Entrepreneurship Development and Strategic Management.