

EXECUTIVE SUMMARY

Globally, tea is the second most consumed liquid after packaged water. Out of the tea exporting countries in the world, Sri Lanka is the third largest exporter with a market share of 17%. Established in 2005, Ceylon Fresh Teas (Pvt) Ltd (CFT) is a leading exporter of pure Ceylon tea in bulk and value-added forms to about 25 countries around the world with an annual export turnover of around Rs. 1.5 billion. CFT is used as the unit of analysis of this case study, which is about resilient business growth of a company driven by entrepreneurial leadership, export market development, and operational effectiveness aspects. The case study is built around the theme of achieving resilient business growth through entrepreneurial leadership to study the resilient business growth of the company and its entrepreneurial leadership, and to explore whether the resilient business growth of the company is influenced by the key growth drivers.

According to literature, the type of problems faced by small businesses change with the growth of the business and therefore developing resilience to external shocks enables a company to bounce back after a failure. The concept of entrepreneurial leadership, which is taken as the key construct in this study, has emerged from the fusion of entrepreneurship, entrepreneurial functionality, and entrepreneurial management with leadership. The second construct of export market development is largely determined by the firm-level characteristics, network relationships, and the prevailing industry/market conditions. Operational effectiveness aspects, which is the third construct of the study is defined as the ability of a company to perform similar activities better than rivals perform them. Efficiency, quality, and supply chain management are considered as the key dimensions of operational effectiveness.

Risk-taking, proactiveness, and innovativeness are taken in this study as the key attributes of entrepreneurial leadership. As outlined in the literature, resource-based, relational, and contingency paradigms of exporting behavior constitute the key attributes of export market development. Operational effectiveness aspects are explained using efficiency, quality, and supply chain management as its key dimensions. Resilient business growth is considered to be moderated by economic and geopolitical issues in export destination markets. The case framework is developed to depict that the resilient business growth of the company is influenced by entrepreneurial leadership, export market development, and operational effectiveness aspects. A qualitative approach is adopted throughout for developing the case.

It was revealed during the study that the company has started its business in a very modest way at a rented house with a handful of employees. With the growth of the business, CFT has consistently participated in trade exhibitions targeting the main export destinations and prospective new markets as its key marketing strategy. During this period, CFT has been able to supply a vast range of tea products to the export market with innovative packaging designs. With the introduction of the Zylanica brand and the achievement of over Rs. one billion export revenue in 2010, a transformation took place within the company to become a value-added tea exporter targeting mainly the non-conventional markets. The company was moving towards a diversification path with a product range of 150 varieties under Zylanica brand with more than 3,000 blends to match with the subtle differences in taste as demanded by the new customers.

The company has undergone the successive stages of business development as discussed in the literature to build up a strong revenue base by the end of 2018. The ability of the company to bounce back from disruptions could be considered as clear evidence for the presence of resilience within the company. The entrepreneurial leadership is demonstrated by the risk-taking towards business growth, proactive approach to exploiting opportunities, and innovative product development. Export market development was supported by the production facilities, network relationships, and adaptation of products to customer preferences. Improving cost efficiency through automation of production, quality management through dedicated teams, and supply chain management through continuous communication and coordination with the suppliers and buyers are clear examples for improvements in operational effectiveness aspects.

The company has been able to achieve resilient business growth by surviving under most difficult conditions through transformation of the product and market mix. The entrepreneurial leadership of the founding partners has been the driving force behind the crafting and execution of a successful export market development strategy for the company. When Gulf markets were not performing well, the leadership decided to expand in to non-conventional markets while improving cost efficiency, product quality, and improvements in the supply chain. The company's lean approach with limited permanent staff and the flexibility in labour deployment is a more prudent way to face competition and survive under changing market demand. Proactive identification of market needs and future trends, and initiating action to timely change the product and market portfolios to exploit new opportunities were proved in this case to be of great significance to sustain the competitive advantage of a company.