

EXECUTIVE SUMMARY

The end of the 30 year old civil war in Sri Lanka brought in a whole new paradigm shift in terms of macro-economic stability. This favourable posture presented economic growth opportunities, which were needed to be essentially supported by the private sector businesses, with especial focus on SMEs. As of 2016, the SME sector of Sri Lanka accounted for 52 per cent of the GDP, 45 per cent of the total employment and 75 per cent of the total businesses in Sri Lanka. However, the unfortunate factor remained that eight out of ten small businesses does not survive beyond the launch stage, which incurs significant loss to the economic prosperity of the country. This is especially due to many businesses flooding into already saturated market spaces than taking the initiative to explore new and uncontested market spaces with higher profit and growth potential. With consideration to this aspect, it was noted in analysing the higher education industry of Sri Lanka, that SBM Company achieved business growth successfully by exploiting uncontested market spaces created and established by the successful application of the value innovation concept under Blue Ocean Strategy.

It was decided to conduct a study on SBM Company to analyse the key drivers which supported SBM's business growth through successful value innovation. Accordingly, three key drivers namely: value innovation, entrepreneurial leadership, and strategic partnerships were identified as the key drivers which were moderated by the intense rivalry in the higher education industry of Sri Lanka.

A qualitative approach was used for data collection which was then analysed thoroughly using a combination of qualitative and quantitative techniques. In terms of primary data, five in-depth interviews, four email/phone interviews and three focus group discussions were conducted in line with the case framework. Secondary data were gathered using company files, company publications, official website and other company records where appropriate.

Based on the study, the author found undeniable evidence in order to conclude that value innovation supported by Blue Ocean strategy tools, namely, FAF, ERRC Grid, SSPF and value curve leads to business growth, driven by the culmination of strong entrepreneurial leadership and the utilisation of strategic partnerships as a transmission vehicle towards business growth.