

Full text of the speech delivered by Mr. Lasantha Wickremasinghe, Vice President of CA Sri Lanka at the IDeA Night of the Kelaniya University

Ladies and Gentlemen,

University of Kelaniya as a leading academic institution & CA Sri Lanka as the country's premier national professional accountancy body, share a common objective to enhance the quality of accounting education in Sri Lanka.

It is with this understanding that I have been asked to speak this evening on the topic 'Accounting Education & Global Business Outsourcing', which I believe is a very pertinent topic in the current context. There is no doubt that accountants are an integral part of an organization and in a country at large.

Accountants play a leading role in managing the sustainability of an organization,

However, Accountants need to stay relevant, up-to-date, if we are to maintain the demand & the importance.

Today, accountants, including members of CA Sri Lanka give leadership at the highest positions for leading organizations.

Our members are not 'just' accountants, they are chairmen, managing directors, and CEOs, among other high profile positions.

As students of a prestigious profession, you can be assured that you will always be in demand, provided you

- understand the importance of remaining relevant
- change with the global and local trends
- practice truth & fairness
- most importantly stick to professional ethics & values

Education in general is a never ending journey. The same applies to accounting education. Ours is among the few professions that focus highly on 'continuous education'.. This is an important area which the accounting professionals must take maximum advantage of.

With globalization and the vast strides in information technology, there has been a dramatic change in the overall business environment. These changes have brought new challenges not only to businesses & Professionals, but also to education.

IT is included as a key pillar in the CA Sri Lanka new curriculum that came into effect this year to ensure that the future chartered accountant encompasses not only knowledge in accountancy, but other areas which are important in making him or her a smart professional in every sense.

As professionals, and future professionals, when we talk of staying relevant and ensuring that we be in line with changing trends, we can't ignore the increasing importance of global business outsourcing.

In the current economic landscape, outsourcing has become a cost-effective way for organizations to attain and sustain operational excellence.

The outsourcing number of non-core business activities, such as

- human resources
- legal processes,

are rising rapidly.

Finance and Accounting Outsourcing, more commonly known as FAO is one of the fastest-growing areas of outsourcing, delivering significant payback to organizations. Global business outsourcing provides freedom and flexibility to businesses that might otherwise be limited.

Businesses that utilize global outsourcing are better positioned to adapt and grow while ensuring quality in the services and products they provide. Although there are certain precautions that must be taken with any type of outsourcing, the fact is that global outsourcing is a safe& reliable way to address rising operational costs.

In today's business environment, nine out of every ten enterprises have shared services and 97 percent manage outsourcing relationships. A well-executed global business services strategy is distinctly different from the narrower focuses of shared services. It identifies corporate objectives and encourages internal functions to collaborate with each other and third-party service providers to create breakthrough strategic operational capabilities that drive business outcomes that can result in real marketplace differentiation and competitive advantage.

With a growing labor market and a challenging economic situation, large and small firms are making the push to outsource professional services to highly skilled personnel in less expensive labor markets.

Hence the accounting education system should be geared to cater to this requirement and by doing that Sri Lanka can generate the required skilled accounting employees for the global outsourcing market.

There is no doubt that within the professional services sector, process outsourcing in the accounting industry has become a strategic and increasingly attractive way for

- organizations
- accountants and
- accounting firms

to gain expert service, scale their business capacity and benefit from cost savings on their non-strategic functions and activities.

Outsourcing is an accepted service delivery model to:-

- Optimize operations
- Improve efficiency
- Reduce costs
- Channel resources and capital towards core competencies
- incorporate transformational elements of change to the business and increase competitiveness

While cost savings continues to be the main reason for outsourcing,

- access to resources,
- flexibility,
- ability to scale and delivery quality

are also emerging as important factors for outsourcing decisions.

However, the motivations vary somewhat for organizations in different size segments. Large companies have used their scale to develop the labor arbitrage opportunity presented by outsourcing, small and mid-sized firms have successfully achieved key business objectives such as

- gaining new business process acumen
- broadening their global reach

- improving worker skills,
all of which, are aimed at increasing their ability to operate more effectively.

Other emerging drivers of outsourcing are:

- The need for flexibility of sourcing relationships to adapt as the client's business changes.
- The ability to use best of breed providers and alternative delivery models such as asset-light transactions.
- Cloud computing
- Offshore delivery services

With increased growth recorded in the finance and accounting outsourcing, Sri Lanka is also offering a growing skilled workforce, who is

- productive
- fluent in English
- committed
- friendly and adaptive

which gives them an increased potential to be part of an important emerging sector.

We understand the fact that accounting plays a critical role in economic development through instituting transparent quality financial reporting which facilitate mobilization of domestic and foreign investment, and creating a sound financial landscape.

Therefore, it is important for both universities and professional bodies to ensure that the accounting education and the curriculum they offer are in line with present international standards& demands.

I believe, as professional bodies and universities, we have a constantly changing and challenging role ahead of us, a role where we need to ensure we produce world class accountants, who will give leadership to all sectors, including rapidly growing FAO sector.

To meet local and global development needs, CA Sri Lanka has initiated an important programme to offer a specialized qualification for the FAO sector.

I believe that this will help to change the face of our professionals who are keen to pursue a career in the outsourcing business, and will undoubtedly help Sri Lanka to become an important FAO destination.