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## **A Pilot Takes Off: Examining Sustainability and Scalability in the Context of a Sri Lankan Public-Private Partnership Telecenter Project**

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### **Abstract**

*Public-Private Partnerships (PPPs) are being looked to as a promising method for bringing the benefits of information and communications technology (ICT) to the developing world, particularly in the case of shared access (telecenter) models, but questions remain as to how best to pursue sustainability and scalability with such initiatives. This paper provides a “snapshot” of an innovative, franchise-model partnership, captured at a unique point in time: the transition period from completion of pilot stage to project scaling stage. The paper thus identifies both challenges and success factors arising at this pivotal point, often not addressed in the literature on such projects. Going beyond what makes a successful pilot to the question of what is important for scaling, this case provides insight on the critical topics of sustainability and scalability. The project also promotes the development of small and medium sized enterprises, which has been identified as crucial for sustainable development in emerging economies.*

### **Keywords**

Telecenters, Public-Private Partnerships, Development, Sustainability, Scaling

### **INTRODUCTION**

The past decade has witnessed a veritable explosion in shared-access model information communication technology (ICT) deployments in the developing world, with the goal of bringing the benefits of ICT to the underserved. Whether referred to as information kiosks, telecenters, or Internet cafes, what these shared-access models have in common is that they shift from the individual level to the business, community, or government the various burdens and costs associated with bringing technology to where it did not exist before and making it function (Salvador et al. 2005). These burdens, which can include outlays for equipment, infrastructure, and connectivity, as well as investments of time and effort to gain the technological expertise to make everything work (and then work together), can be prohibitively high for an individual. Yet when these costs are spread to a larger group, or when technology experts can be brought in, the shared access model represents a more efficient way to disseminate ICT. Governments and agencies concerned with development recognized the benefits of this model, and began to fund such deployments to the point where the process has been termed the “telecenter movement” (Roman and Colle 2002).

Thus, the first wave of the telecenter movement was donor-driven: billions of dollars were allocated by development organizations, governments, and NGOs to set up and fund these projects. Yet, after a few years, as donor funds began to dry up and the telecenters that had been expected to become self-sustaining instead generally failed with no income stream, the realization set in that this model in fact had not been designed to be profitable or financially sustainable in the long term—or, if this had been the intention, this model was not working. Thus, an alternate business plan for the shared-access model was sought; one that could promote long-term sustainability for these projects.

One business model widely recognized to hold promise in this area is the public-private partnership (PPP), as ideally it takes advantage of the financial capital, profit-seeking motive, and technological expertise of the private partner, and combines this with the public partner’s drive to improve citizens’ quality of life. The main reason for forming such partnerships is to achieve goals that could not be realized by a single party acting alone. Today, multi-actor public-private partnerships are held in extremely high esteem by those seeking ICT-oriented solutions to development challenges. These partnerships enjoy wide-ranging support and are promoted by governments, international organizations, non-governmental organizations (NGOs), and private firms alike. In fact, the United Nations Millennium Declaration specifically recommends the creation of public private partnerships to “ensure that the benefits of new technologies, especially information and communications technologies... are available to all,” (Weigel and Waldburger 2004:XV).

Even so, PPPs have not proven to be a panacea for technology-related development projects: there have been a large number of unsuccessful initiatives (Angerer and Hammerschmid 2005). The fact that many failed cases go unreported does not help the learning process, either. Thus, the search for sustainable models continues, with the dual recognition that the impact of any technology-related development project depends on the long-term viability of such a project, and that the stakes are high in the developing world, given the scarcity of funds available to devote to development projects of any kind.

The majority of telecenter projects and most public-private partnerships start out as pilot programs. This makes sense from an investor's point of view. The proof-of-concept provided by a promising or successful pilot project is helpful for convincing stakeholders to invest in larger projects. However, due to a number of factors, including the lack of a proven business model for success, the high failure rate of such projects, and the small number of projects that have in fact scaled, little has been written about the sustainability or scalability of such projects (Roman and Colle 2005; Walsham and Sahay 2005). This paper specifically addresses both issues in the context of a case that is making the transition from successful pilot to scaled project.

This paper presents firsthand evidence from EasySeva in Sri Lanka, an innovative, franchise-model telecenter project involving multiple local and international partners. The project is distinctive in that it employs a unique venture capital-type business model, has demonstrated sufficient promise and/or success at the pilot stage to obtain additional funding that has allowed the project to begin scaling, and promotes SME development in the wider Sri Lankan economy. Additionally, the fieldwork informing the paper was carried out at a unique point in time: the transition period from the completion of the pilot stage to the project scaling stage. Since few cases have been reported on at this crucial juncture, the examination of such a case is valuable, since numerous new issues present themselves as projects enter the scaling stage.

This paper thus provides an in-depth report of the features and best practices at the completion of the pilot stage of the project, based on fieldwork observation, surveys, and interviews. The paper also addresses numerous lessons learned that have already been incorporated into the design and implementation of this project that have contributed to its initial success, and will bring up new challenges to be addressed in the next stage of the project.

The paper proceeds with a discussion of the dual concepts of sustainability and scalability within the context of public-private partnerships and ICT-and-development. This is followed by a discussion of the importance of small and medium sized enterprises in the context of promoting nationwide economic development. After this, a brief methodology section appears, followed by the case study of EasySeva in Sri Lanka. The case description is followed by a discussion of best practices and new challenges that may be applicable and informative for other ICT-and-development projects, particularly as they face the scaling process.

## **SUSTAINABILITY AND SCALABILITY**

Because there are numerous potential benefits to be realized when public and private actors join forces, these types of partnerships are coming to be seen as one of the most efficient methods for bringing technology to underserved areas. Yet, in order to realize the full, long-term potential benefits that the technology can bring, so that people realize a new technology's usefulness and incorporate it into their lives, a focus on planning for sustainability has emerged as an important factor for project success. Another related emphasis is on scalability. As mentioned above, most ICT-related development projects start as pilots, and while they may serve a valuable function in the specific locales into which they are introduced, in order to ensure that the maximum number of people will benefit and to take advantage of economies of scale, projects that can be expanded and scaled, on a sustainable basis, are highly valued.

Little is known about the operation of the public-private model, as systematic evaluation is difficult. This may be due to the uncoordinated dynamic of public-private partnerships: there is no central organizing body, projects may be non-comparable on a global scale, and there are no standard metrics for assessment—perhaps due to resistance to evaluation processes in general (Rosenau 1999). Further, benchmarking is seldom done prior to the commencement of a project, and long-term evaluation is most often not a part of the overall budget. The academic community reports mixed results for such undertakings. One major concern regarding PPPs in the developing world is that they will not address the larger issues of socio-economic development and poverty eradication if they are not sustainable or relevant in the daily lives of their intended beneficiaries. Kanungo (2004) reports that private sector participation in such projects has not demonstrated better results than previous public sector-only initiatives. Yet, this paper will assert that when public-private initiatives are well thought out, technologically appropriate, and designed with long term sustainability and the empowerment of the localities in mind, they have the potential to enable real socio-economic benefit.

Of course, for a given ICT project to be successful, locally appropriate technology must be deployed. "Locally appropriate" in this case refers both to the stated wants and needs of the technology recipients as well as to what is possible given the physical, geographical, and/or infrastructural reality on the ground. Since the Sri Lankan

literacy rate in the local languages is 91 percent, a telecenter deployment involving Internet use is a locally appropriate technology application. The high literacy rate within the state also bodes well for Internet uptake and adoption in general, as many of the more advanced technology applications, such as email and information gathering, require the ability to read and write. In this respect, Sri Lankans are better poised to realize a wide range of ICT-related benefits than many others in developing countries, and the expectations of this project regarding their abilities for and interests in using the Internet and taking computer training courses appear to be in line with goals of the project detailed in this paper. In addition, Sri Lanka's physical infrastructure is appropriate for such a project, with, for instance: a liberalized, competitive telecom sector providing service across the nation; dependable and affordable electricity; and paved roads to most areas in the country—all of these features facilitate deployment of a telecenter project across the state.

The case presented here possesses many characteristics that will be addressed in the paper and gives evidence of both of the success factors identified above: sustainability and scalability. It is already employing a number of best practices that have been identified in the literature. To give a few examples, it employs a franchising model, which has been recognized as a proven and effective telecenter strategy (Proenza 2001). The project is focused on providing services of multiple kinds, as a strategy to add value to its offerings (Jensen 2005), which both differentiates its services from competitors and promotes revenue generation. It is both driven by and promoting domestic entrepreneurship (Kusakabe 2005), while also building local capacity: the EasySeva staff is training the local telecenter owners to be able to handle smaller technical issues on their own. Finally, it is promoting new methods for doing business locally—most notably in this case, networking.

This project boasts multiple potential benefits for the private sector in Sri Lanka, among them the promotion of SMEs in the business sector and of new ways of doing business, as well as bringing wider availability of the Internet to customers and providing new on-line services for citizens in general. The project boasts a unique partnership that resembles a venture capital model, wherein the public partner provides start-up funds to get the project off the ground and to enable completion of the pilot stage or proof of concept (although because the partner is a public entity, the investment funds are not repaid). At that point, the public monies stop, and the private partners are expected to take over as the project scales. Because the project becomes (mainly) a private-sector concern, its success depends upon it being financially sustainable in the long-term, and this was a part of the project's design from the outset. Though it started as a pilot project, the business model was designed to be scaled and expanded on a nation-wide and even international basis, even while encouraging local entrepreneurship. The project has already been recognized as successful by its private corporate partners (Dialog Telekom and Qualcomm) in terms of reinvestment for expansion, and as such, is currently being scaled across the country.

## **ICT AND THE SMALL AND MEDIUM SIZED ENTERPRISE (SME) SECTOR**

The concept of microfinance—making small loans mainly to poor entrepreneurs in developing countries—has received a great deal of public attention and support lately. Yet, microfinance tends to support individual, or survival entrepreneurs, and such individualized investments do not in fact contribute to the building of a diversified economy, in terms of the range and size of participants. One of the economic challenges facing many developing country economies is a “missing middle” (Kaufmann 2005): a term that describes an economy consisting of both micro- and macro-sized participants (often dominated by foreign-based multinationals), but lacking a robust sector of small and medium sized enterprises (SMEs).

The SME sector is important, because it has the potential to contribute to a country's economy in the form of job creation, public and private revenue generation, and overall economic competitiveness in a country. In developed countries, SMEs provide more than 60 percent of private sector employment and are the principal creator of new jobs (de Ferranti and Ody 2007; Surowiecki 2008), so their absence in developing country economies can signal underemployment, as well as a general business environment where revenue generation, competition, and innovation are all underdeveloped. The SME sector has the potential to contribute to national economic development strategies by facilitating flows of information, capital, ideas, people, and products (Alampay 2007).

SMEs can also serve as seedbeds of innovation (de Ferranti and Ody 2007). The use of information and communication technologies by SMEs has the potential to increase efficiency, reduce costs, and broaden market reach (Alampay 2007). However, ICTs are less likely to be adopted by SMEs when the overall business climate is not transparent and dependable, or where there is no competition. In the EasySeva case, ICT is the business being practiced, so the adoption of it or switching to it from other forms of doing business is not the main issue. However, the EasySeva centers will provide ICT capabilities—comprising the physical hardware, as well as training and skills development—to their local communities, so it remains to be seen whether their service offerings will help to promote ICT uptake and adoption on a wider scale, including by local small businesses.

One of the main obstacles identified in the literature and by SME entrepreneurs in interviews, is the lack of access to finance, or capital (de Ferranti and Ody 2007; Kauffmann 2005; Newberry 2006). In the case presented here, the local finance partner has proven to be the most problematic stakeholder in the project. At a certain point, it became clear that this partner was more interested in processing loans of much larger amounts than the individual telecenter entrepreneurs required, and simply placed the processing of these smaller loans on hold. Thus, at the time of writing, all of the current EasySeva partners stood ready to expand the project, with corporate funding in place and employees and entrepreneurs ready to move forward, but the momentum was temporarily stalled because of the local finance partner. This reality is in line with the challenges identified in the literature, and also highlights the importance of starting at the pilot level, and being flexible in terms of which partners will continue as the project progresses—although in this case there may not be an alternative. Though it may seem *cart-before-the-horse*, it will likely take the presence of a healthy small-and-medium-enterprise sector within a national economy to encourage the development of local finance institutions aimed at serving SMEs' needs. Because there are currently few SME-targeted development interventions, the lack of finance options will remain a challenge for them. However, as recognition of the “missing middle” problem grows, so too may attempts to ameliorate it. Surowiecki (2008) reports that some progress is being made: Google.org, the Soros Economic Development Fund, and the Omidyar Network are setting up a firm in India that will invest only in small-to-medium businesses—a sort of high-profile pilot partnership project formed precisely to target the “missing middle.”

## METHODOLOGY

This paper employs a qualitative, case study methodology, which is particularly relevant for researchers examining strategies in emerging economies. In addition, the case study is the most appropriate method for studying the “many variables-small N” type of subject presented herein (Lijphart 1971). The case study is best employed when there are a limited number of cases for analysis, as it allows the researcher to examine the study intensively. An additional strength of the case study methodology is the contribution it can make to theory building, and to best practices identification. We adopt Gerring's definition of a case study as “an intensive study of a single unit for the purpose of understanding a larger class of similar units” (2004:342).

There is not (yet) a theoretical framework that focuses specifically on public-private or international partnerships (Stewart and Gray 2006). Since it is beyond the scope of this paper to propose such a framework, our focus will remain on the case at hand, which will be utilized to identify best practices, and to enumerate issues not previously identified in the literature, but which will become increasingly relevant as similar projects begin to scale in the future.

The research findings presented herein are based on a combination of field methods such as interviews, surveys, and participant observation and interaction. The fieldwork took place between January-February, 2008. The findings consist of interviews with the owners of the EasySeva centers and of a 38-question survey that was given to customers at the centers and to customers at the Dialog Telecom stores which are adjacent to the centers. Multiple interviews also took place with the EasySeva project director, managers, and staff over the entire duration of the fieldwork.

At the time of research, there were 18 EasySeva centers operational. Interviews were conducted with nine of the owners of these centers, while a visit was made to their store. There were 96 completed surveys in total, with as representative a sample as possible coming from each of the different centers visited. The customer surveys were available in both Sinhalese and English. The interviews were conducted in English. EasySeva staff provided assistance with both interpretation (when needed) and translation.

## CASE STUDY: EASYSEVA

EasySeva (or Easy Service in the local languages) is the name given to a for-profit franchise service center project to bring affordable broadband wireless telecommunications and Internet technology to underserved areas of Sri Lanka. It is a public-private partnership with multiple local and international partners from numerous sectors of relevant industries. The aim of the EasySeva project is to empower communities across Sri Lanka to avail themselves of ICT in order to improve their quality of life, as well as their economic status (Synergy Strategies Group [SSG] 2007).

The EasySeva business strategy is built around a franchising model. Local entrepreneurs—generally those already employed in founding partner Dialog Telekom's mobile phone stores—are identified, interviewed, and recruited to establish village-level EasySeva telecenter franchises that provide Internet and telephone access, as well as many Internet-enabled services to the local population. Through EasySeva, the potential franchisees are offered the opportunity to start a business by purchasing a “Center-in-a-box,” which consists of four reconditioned personal computers (PCs) with a licensed suite of Microsoft Office products, an all-in-one

printer/copier/fax machine, and a broadband connection via Dialog Telekom, which is a leading telecom service provider in Sri Lanka (SSG 2007).

In addition to the equipment, setup, and connectivity, the franchise package also includes IT/business training, business plan support, a micro-loan and lease program, marketing support, and a 24/7 help desk. The majority of these items and services are provided directly by the numerous partners in the EasySeva project, which benefits from economy of scale and buying in bulk: it is able to provide technology, support, and prices/rates well below those which any single operator, entrepreneur, or company could negotiate by itself. Additionally, the franchisee's required capital outlay (obtained through a start-up cost loan) reduces the up-front capital outlay burden for the main project partner, Synergy Strategies Group (SSG 2007).

While EasySeva provides kiosk owners with training, support, technical assistance, and access to financial assistance they otherwise would not have, in the end, the local franchise owners themselves are responsible for generating the income and profit to pay back their initial loan in a timely fashion (30 months). In other words, they are responsible for putting into practice the marketing strategies they are provided as part of their assistance, and for developing additional product and service offerings of their own. This is intended to challenge and stimulate the creative, entrepreneurial spirit.

The implementing partner of the EasySeva project is Synergy Strategies Group (SSG), a small, Vermont-based American firm. In the summer of 2006, SSG beat out a considerable number of established competitors for a USAID-sponsored Last Mile Initiative grant. USAID's Last Mile Initiative (LMI) is its global program, launched in 2003, to bring modern telecommunications infrastructure to traditionally underserved areas.

In the Sri Lanka Last Mile Initiative, USAID stipulated a number of project requirements with an eye to promoting long-term sustainability. Among these was 2-to-1 matching of project funds, wherein for every dollar provided by USAID the private sector partner had to match it with \$0.50—with either its own or partner funds. In order to promote project scalability, USAID required that a minimum of 20 centers had to be fully operational within one year of the project award date, to ensure a "proof of concept" for scalability. In addition, USAID encouraged and facilitated SSG's forming of alliances with both public and private sector partners.

At the end of September, 2006, SSG was awarded the contract and began implementation, which involved partnering with numerous organizations. From the beginning, SSG has viewed this project as a scalable business development opportunity. The USAID funds were utilized to enable the pilot project's deployment. After that stage, they will need to attract sufficient private financing, which, in this case, means that the current partners must realize a sufficient profit to remain involved and to expand their involvement as the project is scaled (SSG 2007). Growth in involvement on the part of the private partners has indeed already been the case for EasySeva, as corporate partners Qualcomm and Dialog have increased their initial levels of investment/stake in the project, which has provided the necessary financing for the project to begin the scaling process. Not only does this business model provide SSG a true long-term stake in the project, it also creates the incentives for contracted partners to realize profitability as well, promoting desire for continued participation in the project's expansion.

All of these characteristics contribute to the potential for the project's long-term sustainability. This performance-based contract model marks a shift on the part of USAID, which now recognizes that correct incentives should be in place for aid-based funding to be effective; a project is more likely to be a success once all parties have a (financial) stake in the outcome.

This particular PPP model is unique in that it resembles a venture capital model, where the main role for the public partners was to provide seed money to get the project off the ground, but the incentives built in to the business model are designed to promote the project's sustainability and scalability in the long-run. In fact, such incentivizing represents a radical departure for USAID: traditionally, US firms merely extracted aid fees from the initial implementation of a project, and had little-to-no interest in the impact or sustainability of the project after implementation, once the funding stopped.

Synergy Strategies Group registered EasySeva, the franchisor, as a Sri Lankan Private company in early 2007. As mentioned above, fieldwork took place at the completion of the pilot stage in January/February, 2008. At the time of this paper's writing, the number of centers had nearly doubled, from 18 to 35 in less than four months. The company plans to open 400-500 centers within Sri Lanka over the next 3-4 years, and an additional 1000 centers around the South Asian region in the future.

## RESEARCH FINDINGS AND DISCUSSION

The following section provides an overview and discussion of findings from firsthand research undertaken on the EasySeva project carried out during the transition period from pilot to scale. Both challenges and success factors are highlighted.

In addition to a proof of concept promoting additional investment, there are numerous other reasons why starting small can be valuable. The pilot stage gives the project leaders an opportunity to figure out which partners are truly interested in the well-being of the project, and are committed for the long-term. Those that are not may need to be replaced, if this is possible. Alternately, incentives could be adjusted to inspire greater commitment by partners. In EasySeva's case, there were challenges early-on with the local hardware equipment provider. This partner was replaced, as there are numerous other local businesses performing the same service. However, there also have been ongoing challenges with the local financing partner, yet this partner is less simple to replace, because of the lack of financing alternatives as described above—there are few, if any, alternative partners in Sri Lanka to provide local, small-scale financing for the individual entrepreneurs. Thus the project has had to work with the same company, even though ideally it would be more efficient to replace this partner. At the time of writing, inaction by the local finance partner was temporarily slowing down the project's scaling.

At the time the surveys were administered, Internet and email comprised the most commonly used applications at the centers, with 78 and 46 percent of respondents reporting use of these, respectively. However, in order to differentiate its offerings from those of other Internet cafes, EasySeva is uniquely focused on being service-oriented, in order to provide added value to its customers. One aspect of this value-add is person-to-person customer service, where the client feels comfortable going in to the center and asking for help. Customer service seemed to be uniformly carried out in the centers, where employees appeared to be ready to help customers with anything they knew how to do, and in the surveys, customers unanimously (100 percent) reported that they were satisfied with their experience. From the interviews conducted with the center owners as well, this appears to be an area in which EasySeva stands out as unique from other telecenter businesses. Thus, distinguishing a business from potential competition—in this case as a “service center,” as opposed to a telecenter or internet café that simply provides computers with a connection to the Internet—may be identified as a best practice that becomes increasingly relevant as a project starts to scale.

Another form of value-adding is providing innovative services on-line that are not yet available elsewhere, or that can be accessed at a more competitive rate than elsewhere. Planned services unique to EasySeva include the following: online banking, money transfer, loan applications, bill-payment, appointment booking, technical skills courses, and small-group training. The fact that EasySeva is working on developing and offering these services will be a distinct value-add for the Sri Lankan population in general (and for EasySeva customers in particular) because such services likely would not be developed and offered as quickly on a nation-wide basis without a coordinated effort such as EasySeva is making. It also represents an additional business strategy by which EasySeva is differentiating itself from other telecenters.

At the completion of the pilot stage, a number of anticipated service offerings were not yet available. Some of these services have since come on-line: in particular, International Direct Dial calling. This is a valuable service, as the Sri Lankan expatriate workforce is extremely large. While estimates vary, in 1999 the Central Bank of Sri Lanka estimated that there were over 788 million expatriate workers, 90 percent of whom are employed in the Middle East (Central Bank 1999; this statistic is no longer officially reported). Given the high rate of depression and even suicide among these workers (Toumi 2007), affordable overseas communication may truly be said to provide a “lifeline” between loved ones. Another service anticipated to be available shortly is making doctor appointments and arranging hospital visits which take place in the capital city of Colombo, where the major hospitals and specialist physicians are located. People will also be able to receive paperwork regarding these appointments over the Internet. All of these services will save patrons the time and travel costs of multiple journeys to distant hospitals.

As a general point, telecenter projects will need to focus their business strategy to provide services that are not provided by mobile phones, which are becoming more and more ubiquitous across the developing world. Since 90 percent of respondents to the survey distributed at the EasySeva centers reported that they owned their own mobile phone, it will be important for EasySeva to keep its focus on providing services not readily available over mobiles. At the same time, the majority of people in Sri Lanka cannot yet afford to have computers with broadband Internet connections in their homes, yet the majority of people are aware of the Internet (including 80 percent of survey respondents), so there is a large potential customer base.

Another overall success factor that is virtually absent from the ICTD literature is the importance of the level of experience, motivation, and commitment of the project's staff. In fact, it would be difficult to overstate how central to the success or failure of any such project those responsible for its implementation are. Practitioners navigate the interplay between the top-down and bottom-up aspects of a project. They are responsible for carrying out the project deployment on a day-to-day basis, reacting when plans do not play out as anticipated, and formulating alternate methods for moving forward. They frequently work long hours, and their motivation is most often inspired by a belief in the project's ability to enable positive change and foster development. The fact that all of the people involved in EasySeva's design and implementation, including the entire project management team, have experience with planning and deployment of previous ICT-and-development projects means that EasySeva has benefited significantly from its staff's ability to actively apply the lessons they have

learned, drawing on their understanding of what worked and what did not in the past, to make (and continue to revise, as necessary) EasySeva's working plan of action. Firsthand observation and interviews also revealed the staff's commitment to and belief in the project, as well as their flexibility in navigating the challenges that arose, and the long hours that they worked in order to move the project forward. Further scholarly review of this crucial aspect of such projects—on the practitioners and their vital role in carrying out project implementation—is certainly warranted.

Many of the issues faced by the project practitioners presented somewhat of a chicken-and-egg dilemma. This may be seen most notably with the availability of services and in the awareness campaigns. It can be difficult to put innovative services in place without a critical mass of users, yet it is also difficult to cultivate a critical mass of users for services if they are not yet available. In a similar vein, it is difficult to conceive of a nation-wide advertising campaign for the project when just 20 centers exist across the country. On the other hand, the 20 centers that do exist face difficulty in the early days, if they are depending on the central organization to carry out the publicity.

This particular point in fact raises a few questions: At what point in the scaling process does it become appropriate to launch a large-scale or nation-wide publicity campaign? To what degree should the owners be dependent on the central offices to provide their advertising if they themselves are considered entrepreneurs? In fact, entrepreneurial drive among owners varied widely. During the interviews, the distinction became quite clear between those with visions for the future of their centers and those without; between those with an entrepreneurial drive and those that just wanted to run a telecenter. This variance was already noted by the staff during the pilot stage, and should in fact change in the future, as more competitive methods were already going into effect at pilot-stage completion, for identifying and selecting future center owners that markedly demonstrate entrepreneurship—another example of making adjustments at the crucial stage between pilot and scaling.

Marketing and advertising in general on the EasySeva project remains limited. Not many of the owners had yet begun advertising initiatives on their own. Some expected this to be done by the EasySeva headquarters staff. Others had begun their own publicity initiatives, and were seeing demonstrable results. This issue will need to be addressed and clarified as EasySeva moves forward.

The publicity or awareness-raising campaign is another topic rarely addressed in the literature dealing with pilot projects, for it arguably does not become necessary until a project scales. Yet, if people are not aware of a new technology or how it can benefit them, they are unlikely to take advantage of it, which decreases the likelihood of project success. The awareness campaign of a project is, in fact, of equal importance as is the availability of innovative services. While the services planned to be offered in the context of this project are original, and will be invaluable across the entire country when they become available, a concerted, coordinated marketing or awareness-raising campaign to coincide with the scaling of the EasySeva project will also be essential at the nation-wide level. It would be possible for EasySeva to capitalize on the existing nation-wide marketing capabilities of project partner Dialog Telekom to lead or facilitate this campaign. These capabilities already exist for Dialog, as one of the nation's leading service providers. Since Dialog has a financial stake in the success of the project, it would be in their best interests to work together with EasySeva to facilitate such a publicity campaign—another example of how partnering provides incentives that are aligned in the best interests of the project. There are already plans underway to capitalize on Dialog's brand-recognition by revising the EasySeva logo to match or become similar to the nationally-recognizable Dialog E-Z logo.

Still another area of focus that rarely receives mention in the literature because it is not yet relevant at the pilot stage is the concept of introducing new ways of doing business, made possible because of the scaling process. In this case, the concept being introduced is networking among EasySeva entrepreneurs. It will be useful for the entrepreneurs to share their innovative ideas, the challenges they have faced, and the solutions they have devised, with other people who are in the same situation as they are, without feeling the need to view these others as competition. In fact, the more information shared, the stronger the network and better chances of success for all—this is one of the main features of the franchising model. Such networking is not yet a part of the business mindset in Sri Lanka, however. EasySeva is actively promoting networking among the entrepreneurs at regularly-scheduled workshops, where numerous business-promoting concepts are covered. These workshops also provide the opportunity for the owners to meet one another in person, which can build levels of interpersonal trust and counter the perception of competition among owners. At the time of the interviews (which took place before the workshops), divergent views were in evidence: some of those working in the EasySeva centers did not yet grasp the usefulness of networking and still saw other owners as their competition, while some had already begun contacting other owners to exchange ideas and information with them.

At some point in the future, EasySeva plans to expand these workshop offerings to include employees of the centers as well. At this time however, there remains a challenge—one that is by no means unique to EasySeva—in that workers that have received (free) IT training often seek higher-paying jobs elsewhere after the training



has taken place and their skill levels have increased. There is thus a problem with worker retention. Yet, this is a challenge for businesses of every kind, all over the world.

Another issue rarely noted concerning pilot projects that have not faced the challenges of scaling is that regional differences will dictate local usage patterns in the individual telecenters, and thus also how the entrepreneurs will need to target or advertise their services. One owner pointed out that in his area, local schoolchildren did not have enough disposable income available to them to come in and make use of his telecenter, while this clearly was not the case for other telecenters, where schoolchildren were occupying every available computer. Additionally, in some of the cities where the EasySeva centers were located, they represented the only public Internet access. In other cities, there were already multiple Internet cafes with which the EasySeva centers needed to compete. These examples underscore the fact that each store owner will need to design a business plan that is locally appropriate—whether it will include raising Internet-awareness in general, or focusing on differentiating his services from that of a competitor. One center noted that most people who lived in his area were not yet aware of the Internet, so he will need to focus on raising awareness of how the Internet can be useful. Another owner competes with a handful of Internet cafes nearby, so he has attempted to differentiate his center by making it the most modern-looking in the city.

There is currently a drive to involve more females at the EasySeva centers. Yet, use of EasySeva centers by females is still comparatively low. There were fewer female than male customers at every store that was visited. Females comprised just 25 percent of survey respondents. Many of the center owners expressed the desire to increase the female customer base, but how to do so remains rather elusive. Two owners mentioned that employing a female in the store helps other females to feel comfortable coming in to the store and becoming EasySeva customers, therefore hiring female employees represents one strategy for addressing this issue. However, it is also important to remember that ICT is always and everywhere introduced into a society, and this society does not change as quickly as technology might enable it to. There are simply not as many females as males in Sri Lanka at this moment in time who see technology as being relevant or important for their lives. This may change over time, and certainly encouraging females to become involved at the EasySeva centers is a step in the right direction for encouraging equality of technology use.

Reported use of computers for school-related tasks in the surveys was lower than expected (at 17 percent), particularly when comparing these responses with what customers would like to use computers for (71 percent of respondents indicated that they would like to use computers for educational purposes). This may be an important area to focus on in the future, for the earlier in life one starts using technology, the more likely that technology is to be adopted and incorporated into people's activities, so that its potential benefits have a better chance of being realized. Perhaps if there were more school-related reasons to make use of the EasySeva centers, more females would come in and become comfortable with technology and begin to see its value, as well.

On a related note concerning social values, since the EasySeva owners have the prerogative to do so, they are actively preventing the use of their centers for what are deemed societally negative purposes. Three of the owners mentioned in interviews that they have stopped customers from using computers and the Internet for watching pornography (which may also contribute to females being more comfortable coming in to the centers).

Center satisfaction among survey respondents was uniformly positive. Not a single survey respondent reported dissatisfaction with their overall experience at EasySeva centers. Owner satisfaction is uniformly positive as well: when the owners were asked directly: "Are you satisfied (so far) with EasySeva?" each one answered in the affirmative. It may be worth noting that the unanimous satisfaction rate evident in the survey is even more robust than those from the interviews, as the surveys were anonymous in nature, while the interviewees had to answer the question directly to the researcher and often in front of an EasySeva employee. Centers also appear to be conveniently located and to have opening hours of operation that are convenient for customers, with positive survey responses to each of the above questions rating over 95 percent.

Finally, as noted above, EasySeva supports and promotes small and medium enterprise (SME) development in the private sector in Sri Lanka. In addition to business creation in general and to the owners themselves being employed, most centers also employ multiple operators, creating job opportunities in addition to offering valuable services to the community as well as to other local businesses. The degree to which EasySeva will contribute to small business-promotion across the country will become evident over time, and as the project scales.

## CONCLUSION

Public-private partnerships can offer great opportunities for technological advancement in the developing world. Still, there is a need for careful study of these initiatives, in order to ensure successful projects and to encourage the use of ICTs to further human development. Sustainability and scalability of such projects have been identified as important success factors for technology-enabled endeavors, but few pilots have successfully reached the scaling stage, and thus the opportunity for scholarly analysis of these has been limited. Additionally,

the development of small and medium sized enterprises has been identified as crucial for sustainable development in emerging economies. Public-private partnerships can play a central role in promoting such development.

This paper presented a case study of a public-private partnership designed with scalability and sustainability as main goals from the very beginning. It also plays a role in promoting development in the SME sector of the Sri Lankan economy. The project has been considered successful enough at the pilot stage that it has obtained additional investment funds enabling it to begin the scaling process. The fieldwork informing the study was carried out at a unique point in time: the transition point between the completion of the pilot project and the commencement of the project's scaling. As such, a number of challenges and success factors were identified that are rarely addressed in the literature, which mirrors the fact that since few pilot projects progress to the scaling stage, rarely do they face the issues associated with such growth and transition. The paper presented a number of issues that the EasySeva project is successfully addressing, as well as some challenges that remain. There is a great potential for lessons to be learned from EasySeva by other ICT-related development projects, both from the best practices exhibited and from the challenges encountered in the planning and implementation stages of the project. This work is also intended to serve as a baseline, of sorts, as there will be further value in revisiting the issues addressed above, as the project continues to scale.

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