

VIEW FROM PRACTICE

Making the transition from pilot to scale: examining sustainability and scalability issues in a public–private telecenter partnership in Sri Lanka

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Public–private partnerships (PPPs) are increasingly the vehicles of choice for the implementation of information and communications technology in the developing world. This is particularly true with regard to locally appropriate, shared-access models such as the telecenter franchise. However, the sustainability and the scalability of such initiatives remain in question. This article examines an innovative PPP project at a crucial developmental point: the period of transition from pilot to scaling stage. It identifies challenges and success factors seldom covered in the literature on such projects, then addresses the question(s) of sustainability and scalability, and explores the advantages of focussing on sub-urban areas and the small-and-medium-enterprise sector of emerging economies.

Keywords: telecenters; public–private partnerships; development; sustainability; scaling

1. Introduction

The bringing of information and communications technology (ICT) benefits to the underserved developing world has been greatly furthered by the past decade's veritable explosion of communication technology deployments. Shared-access models – information kiosks, telecenters, and Internet cafes – shift the burdens and the costs associated with new technologies from the individual to businesses, communities, or the government (Salvador, Sherry, & Urrutia, 2005). Outlays for equipment, infrastructure, and connectivity, as well as the investments of time and effort necessary to gain the expertise to make things work (and then work together), can be prohibitively high for individuals; the shared-access model represents an efficient approach for distributing and/or spreading these costs. Governments and agencies responsible for development quickly recognized the benefits of this model and began to fund deployments based upon what has now become known as the telecenter movement (Roman & Colle, 2002).

The telecenter movement was donor-driven at its inception: development organizations, governments, and non-governmental organizations (NGOs) allocated billions of dollars to fund projects. Yet, as the initial flow of donor funds slowed to a trickle and telecenters began to fail, it became apparent that the model was either ill-conceived – the design was faulty – for long-term financial sustainability and/or profitability, or the design was being poorly executed. In response, an alternate business plan was sought for the shared-access model.

The public–private partnership (PPP) – which ideally takes advantage of both the financial capital, profit motive, and technological expertise of the private partner and the public partner's drive to improve citizens' quality of life and reduce the risk involved for the private partner's financial outlay – was widely considered to be a promising solution. Such multi-actor PPPs,

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formed to achieve goals not realizable by a single party acting alone, are currently held in high esteem by those seeking ICT-oriented solutions to development challenges. Promoted by governments, international NGOs, and private firms alike, these partnerships enjoy extensive support. In fact, the United Nations Millennium Declaration specifically recommends their creation to “ensure that the benefits of new technologies, especially information and communications technologies... are available to all” (Weigel & Waldburger, 2004, p. XV).

PPPs are not, however, a proven panacea for technology-related development projects. There have been many unsuccessful initiatives (Angerer & Hammerschmid, 2005), and, in addition, many failed cases go unreported. The search for sustainable models continues; the impact of any technology-related development project depends on its long-term viability, and stakes are high in the developing world – funds for development projects of any kind are scarce. Because of this capital scarcity, most telecenter projects and PPPs begin as pilot programs. A proof-of-concept trial makes sense from an investor’s point of view: successful pilots encourage further and increased investment. However, the lack of a proven business model for such projects – coupled with their high failure rate – has prevented the accumulation of significant literature concerning their sustainability or scalability (Roman & Colle, 2005; Walsham & Sahay, 2005). This article addresses these issues in the context of the transition from successful pilot to scaled project.

The study presented involves firsthand evidence from EasySeva, an innovative, franchise-model Sri Lankan telecenter project involving both local and international partners. The project is unusual: it employs a unique partial-venture capital-type business model, has demonstrated sufficient promise and/or success at the pilot stage to obtain additional funding for scaling and promotes SME development in the wider Sri Lankan economy. The fieldwork informing the article was carried out at a unique point in time: the transition between pilot completion and project scaling. The examination of such a case is valuable, as numerous issues present themselves at this crucial stage.

This article provides an in-depth examination of the features and the best practices of the pilot stage at completion, based on fieldwork observation, surveys, and interviews. It also addresses lessons learned and incorporated into the project’s design and implementation that have contributed to its initial success and brings up further challenges to be addressed in the project’s next stage.

Following this introduction is a discussion of sustainability and scalability within the context of PPPs and ICT-and-development and the importance of small- and medium-sized enterprises (SMEs) for the promotion of nationwide economic development. After this, there is a brief description of the fieldwork research methods used, followed by the case study of EasySeva in Sri Lanka. Subsequent to the case study is a presentation and a discussion of best practices, lessons learned, and implications for development germane to this and other ICT-and-development projects, particularly as they face the scaling process.

2. Sustainability and scalability

The numerous benefits of public–private cooperation have placed the resulting partnerships in the forefront of methods for bringing technology efficiently to underserved areas. Yet, in order to realize the full, long-term benefits a technology can bring – its incorporation into the lives of a population – project sustainability and scalability must be considered of paramount importance. As stated above, ICT-related development projects generally begin life as pilots. While they serve a valuable function in their specific introduction locales, projects that can be sustainably expanded and scaled are highly valued for their ability to ensure maximum benefit for the greatest number of people by taking advantage of economies of scale. However, sustainability

can only be achieved if the (targeted) population realizes a benefit from technology sufficiently relevant to their lives to engender long-term adoption and integration. Additionally, since PPPs are business ventures, sustainability also requires profitability for the private partner(s).

Much remains to be learned about the operation of the public–private model; systematic evaluation is made difficult by the uncoordinated dynamics of the partnerships. There is no central organizing body, projects may be impossible to compare on a global scale, and standard metrics for assessment do not exist – perhaps due, in part, to the resistance to evaluation processes in general (Rosenau, 1999). Further, projects are seldom benchmarked prior to commencement and the cost of long-term evaluation is often not provided for in the overall budget (even though doing so has subsequently been identified as a best practice). As such, the academic community reports, at best, mixed results for such undertakings (London & Hart, 2004; Van Rensburg, Veldsman, & Jenkins, 2008).

One major concern regarding developing world PPPs is that they do not address the larger issues of socio-economic development and poverty eradication if they are not sustainable or relevant to 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. Regardless, this article will assert that when public–private initiatives are well thought out, technologically appropriate, and designed with long-term sustainability and local empowerment in mind, they have the potential to enable real socio-economic progress.

Of course, for an ICT project to succeed at all, it must succeed locally. As such, locally appropriate technology – that which suits the wants and the needs of intended recipients as well as the physical, geographical, and/or infrastructural reality – must be deployed. Since the Sri Lankan (local language) literacy rate is 91%, a telecenter deployment involving Internet use is locally appropriate (although local content remains less abundant). The high literacy rate bodes well for Internet uptake and adoption in general, as many advanced technology applications – such as email and information gathering – require the ability to read and write (Cecchini & Scott, 2003; Warschauer, 2002). In this respect, Sri Lankans are better poised to realize ICT-related benefits than many other developing countries' populations; expectations for this project appear to be in line with the goals of the project detailed in this article. Sri Lanka's physical infrastructure is appropriate for such a project as well: a liberalized, competitive telecom sector provides nationwide service; there is dependable and affordable electricity; paved roads reach most areas in the country. Even so, the majority of Sri Lankans cannot yet afford to have computers and broadband Internet connections in their homes or on an individual basis. When combined, these features facilitate deployment of a statewide, shared-access telecenter project.

The case presented here evidences both of the success factors – sustainability and scalability – identified above. It already employs a number of best practices identified in the literature. For example, its franchising model is recognized as a proven and effective telecenter strategy (Proenza, 2001). EasySeva's business model and plan were co-designed by Sri Lankans, while project management and day-to-day operations are carried out by Sri Lankans (Kimaro & Nhampossa, 2005). As a method for adding value to its offerings, EasySeva differentiates its services from those of competitors, promotes revenue generation, and focusses on providing services of multiple kinds (Jensen, 2005). It is simultaneously driven by and actively promoting domestic entrepreneurship (Kusakabe, 2005), while building local capacity. (For example, the EasySeva staff trains local telecenter owners to handle smaller technical issues on their own.) Finally, it promotes new methods for doing business – most notably, networking – locally.

An additional point worth noting is that this project focusses on peri-urban areas of Sri Lanka. While academics and development experts often emphasize the importance of ICTs in aiding socio-economic development for the poorest of the poor, we assert that there is both

logic and value in bringing technology to mid-sized cities in developing world countries, at least at the outset of projects. Rogers and Shukla (2001) specifically identify public access telecenters as building blocks of an informatization strategy that can help countries with the process of overcoming the digital divide. However, according to Rogers' (1962) widely cited and utilized diffusion of innovations model, innovations are adopted according to the logic of an s-shaped curve in industrialized nations such as those in North America and Europe. This model shows that technological innovations such as the Internet first spread to those most able to take advantage of and realize benefit from them, then progress to adoption by a critical mass of users and only later spread to the poor, disadvantaged, and rural residents (Rogers & Shukla, 2001). It would be illogical to expect diffusion of innovation to follow a different path in developing countries – that technology adoption would be realized by rural and poor residents before reaching a critical mass in urban and peri-urban areas.

Thus, in the shorter term, it is realistic to pursue strategies that emphasize technology adoption by a “critical mass” of users. As Rogers and Shukla (2001, p. 4) assert, “the rate of adoption of telecenters today is in the take-off portion of the S-curve, which means that the total number of telecenters is rapidly increasing, and that further diffusion is becoming almost self-sustaining.” If telecenters are to be profitable in the long term – or sustainable, as we have defined it above – it is logical that they must locate themselves in the shorter term where there is “low-hanging fruit” (in other words, where demand is present and even high). We thus identify EasySeva's pilot-stage focus on peri-urban areas as a best practice.

The EasySeva project boasts multiple potential private-sector benefits for Sri Lanka, among them the promotion of SMEs in the business sector, the introduction of new business methods, an increase in Internet availability, and the provision of new online services. The project's unique partnership resembles a venture capital model, though, as the partner providing start-up funding is a public entity, the investment funds are not repaid. In this model, the public partner provides the initial funds enabling the project to progress from inception to completion of the pilot – proof of concept – stage. At that point, public monies stop; the private partners are expected to take over funding responsibilities as the project scales. Because the project becomes (mainly) a private-sector concern, its success depends upon its financial sustainability; this was part of the project's design from the outset. The business model was designed to be scaled and expanded to a nationwide and even international level, even while encouraging local entrepreneurship, and has already been recognized as successful by its private corporate partners (Dialog Telekom and Qualcomm) in terms of reinvestment for expansion, and as such, has begun the process of scaling across the country.

3. ICT and the SME sector

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

The important SME sector has the potential to contribute to a country's economy through job creation, public and private revenue generation, and overall economic competitiveness. In developed countries, SMEs provide more than 60% of private sector employment and are the principal creators of new jobs (de Ferranti & Ody, 2007; Surowiecki, 2008), so their absence in developing country economies can signal underemployment, as well as a business environment in which

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 & Ody, 2007). The use of ICT 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 part and parcel of 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 the interviews is the lack of access to finance capital (de Ferranti & Ody, 2007; Kauffmann, 2005; Newberry, 2006). In the case presented here, the local finance partner has proven to be the most problematic project stakeholder. At a certain point, it became clear that this partner was far more interested in processing loans of much larger amounts than the individual telecenter entrepreneurs required and simply placed the processing of smaller loans on hold, requiring a great deal of effort on the part of the EasySeva staff to follow-up on the smaller, telecenter-sized loans. Thus, at the time of the fieldwork research, all of the current EasySeva partners stood ready to expand the project – corporate funding in place and employees and entrepreneurs ready to move forward – but the momentum was temporarily stalled by the local finance partner.

This reality is in line with the challenges identified in the literature and 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 remains a challenge. 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."

4. Fieldwork research

This article employs a qualitative, case-study methodology. This methodology is particularly relevant for researchers examining strategies in emerging economies, as it allows researchers to examine the process and project intensively. There is not (yet) a theoretical framework that focusses specifically on public–private or international partnerships (Stewart & Gray, 2006). Since it is beyond the scope of this article to propose such a framework, our focus will remain on the case at hand, to identify best practices and to enumerate issues – not previously identified in the literature – that will become increasingly relevant as similar projects begin to scale.

The research findings presented herein are based on a combination of field methods such as interviews, surveys, participant observation, and interaction. The fieldwork took place between January and February 2008. The findings consist of interviews with the owners of the EasySeva franchises and the results of a 38-question survey given to customers at the centers and to

customers at the adjacent Dialog Telekom stores. Multiple interviews also took place with the EasySeva project director, managers, and staff in a period spanning the entire duration of the fieldwork.

At the time of research, there were 18 EasySeva centers operational. Interviews were conducted with nine (or half) of the franchise owners during visits to their stores. There were 96 completed surveys in total, with as representative a sample as possible coming from each of the centers visited. The customer surveys were available in both Sinhalese and English (and were translated into Tamil in a few cases). The interviews were conducted in English. EasySeva staff provided assistance with both interpretation (when needed) and translation.

5. Case study: EasySeva

EasySeva (or Easy Service in the local languages) is 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 PPP comprising 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 improve their quality of life and economic status through the use of ICT (Synergy Strategies Group [SSG], 2007).

The EasySeva business strategy is built on 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 the local population with Internet and telephone access, as well as many Internet-enabled services. Potential franchisees each start their business by purchasing a “Center-in-a-box,” which consists of four reconditioned personal computers with a licensed suite of Microsoft Office products, an all-in-one printer/copier/fax machine, and a broadband connection via Dialog Telekom, a leading telecom service provider in Sri Lanka (SSG, 2007).



In addition to the equipment, setup, and connectivity, the franchise package includes information technology (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 EasySeva partners. The project benefits from economy of scale: by 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 loan) reduces the up-front costs for the main project partner, 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 to repay their initial loan(s) in a timely fashion (30 months). In other words, they are responsible for putting into practice the marketing strategies they learn 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 SSG, a small, Vermont-based American firm. In the summer of 2006, SSG beat out a considerable number of established competitors for a United States Agency for International Development (USAID)-sponsored Last Mile Initiative (LMI) grant. LMI, launched in 2003, is USAID's global program to bring modern telecommunications infrastructure to underserved areas.

In the Sri Lanka LMI, 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: every dollar provided by USAID had to be matched by the private sector partner by \$0.50 of either its own or partner's funds. In order to promote project scalability, USAID required that a minimum of 20 centers had to be fully operational within 1 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, partnering with numerous organizations. The partners, as well as their status as local or foreign-based, for-profit or not for profit, are detailed in Table 1. It is worth noting that the majority of partners are Sri Lankan.

From the beginning, SSG viewed this project as a scalable business development opportunity. The USAID funds were utilized to enable the pilot project's deployment. After that stage, sufficient private financing needed to be attracted. This meant that current partners had to realize a profit to remain involved and, in addition, to expand their involvement as the project scaled (SSG, 2007). Growth in involvement was demonstrated by the time of the field-work – corporate partners Qualcomm and Dialog Telekom had increased their initial levels of investment/stake in the project and, by doing so, provided the necessary financing for the scaling process. Not only does this business model provide SSG a true long-term stake in the project, it also creates 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. Figure 1 is intended to capture the main ideas of the PPP in visual format. At the very center are the dual goals of sustainability and scalability. The public and private partners, as described above, each bring their own specializations and incentives (including funding, risk-sharing, technological expertise, new business methods, strategies and services, etc.) to the table in order to realize the unique business model that is the PPP, while the EasySeva franchisee gains at the individual level from technological expertise and socio-economic development, while at the same time, through his or her business, contributes at the local, regional, and even national level, as he or she provides technology services and helps develop the SME sector of the economy.

Table 1. EasySeva partnerships.

Private partners	Public partners
SSG – EasySeva	USAID ^a
Dialog Telekom	InfoShare (NGO)
Qualcomm ^a	National Development Bank of Sri Lanka
LOLC (financier)	
Technology hardware provider	

^aNon-Sri Lankan partners

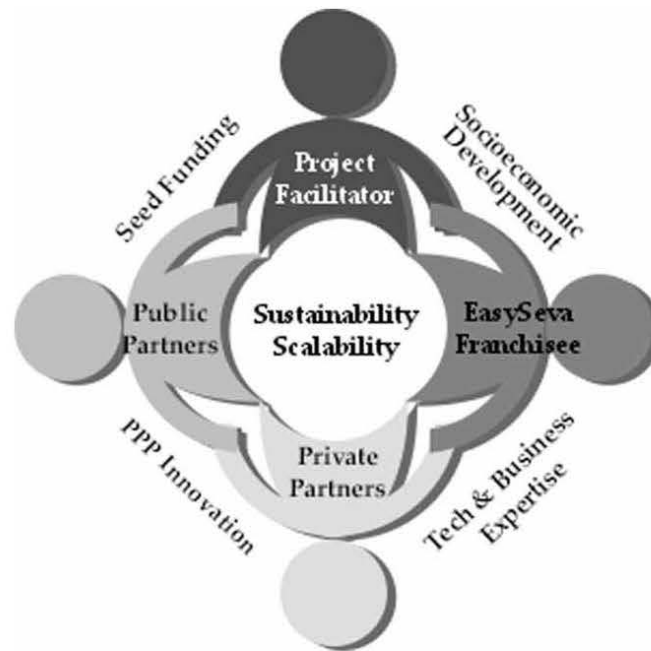


Figure 1. The EasySeva PPP.

The Facilitator Partner provides both start-up funding and the goal of promoting socio-economic development. However, its role is far more complex than this: in EasySeva's case, USAID played the facilitating actor, providing the impetus for the project, the call for proposals, the seed funding, and then acted as a matchmaker of sorts, to introduce the winning company to local for-profit and not-for-profit contacts on the ground. As stated above, this PPP model is innovative in that it resembles the venture capital model: the Facilitator provides seed money and contacts to get the pilot off to a promising start, but it sets an end-date for its own project involvement, after which time the built-in longer-term incentives kick in, which have been designed to promote the project's sustainability and scalability in the long run. In fact, such incentivizing represents a rather recent, and certainly 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 deployment. This PPP-Facilitator approach with appropriate incentives built in is designed to turn the previous extract-then-exit model on its head.

Aid organizations have begun to assume this vital, time-limited facilitator/leader role in a number of telecommunications-related PPP projects across the developing world (for additional cases, see, e.g. Hosman, 2010; Hosman, Fife, & Armey, 2008). The project facilitator role need not be an aid organization however; it could be an NGO or government itself that designs a project, formulates incentives, provides seed funding, and sets an end-date for funding and involvement; all with project sustainability at the forefront. This performance-based contract model marks a shift on the part of USAID, which now recognizes that correct incentives must be in place for aid-based funding to be effective; a project is more likely to be a success when all parties have a stake (often a financial one) in the outcome.

SSG – the US-based contract awardee – registered its new company 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 article's writing, the number of centers had nearly doubled from 18 to 35 in <4 months. The company intended to

open 400–500 centers within Sri Lanka over the next 3–4 years, with an additional 1000 centers around the South Asian region planned for the future.

6. What was learned? Success factors, lessons learned, and implications for development

The following section provides an overview and discussion of findings from firsthand research undertaken on the EasySeva project during the transition period from pilot to scale. Challenges, lessons learned, and success factors are highlighted, and potential implications for development, where relevant, are discussed.

6.1 *Finding the right project partners is essential*

In addition to providing a proof of concept to promote additional investment, there are numerous other reasons why starting small can be valuable. The pilot stage gives project leaders the opportunity to ascertain which partners are truly committed to the project's long-term survival; those that are not can be replaced, if possible. Alternately, incentives can be adjusted to inspire greater partner commitment. In EasySeva's case, there were challenges early on with the local hardware equipment provider. This partner was easily replaced, as numerous other local businesses perform the same service. However, there also have been ongoing challenges with the local financing partner, which is less simple to replace. Due to the lack of financing alternatives described above, there are few, if any, Sri Lankan alternatives to provide local, small-scale financing for individual entrepreneurs. Thus, the project has had to work with the same less-than-ideal company, though replacement would have increased efficiency. At the time of research, inaction by the local finance partner was slowing the project's scaling.

6.2 *Initial focus on low-hanging fruit while gradually introducing new value-adding services*

6.2.1 *Customer service*

At the time the surveys were administered, Internet and email comprised the most frequently utilized applications at the centers, with 78 and 46% of the respondents reporting use of these, respectively. However, in order to differentiate its offerings from those of other Internet cafes, EasySeva is focussed on service orientation as a means of providing added value to its customers. For example, person-to-person customer service enables clients to feel comfortable going in to the center and asking for help with technology. Customer service seemed to be universally – and uniformly – carried out in the centers; employees appeared ready to help customers with anything they knew how to do, and in the surveys, customers unanimously reported satisfaction with their experience(s). Interviews conducted with center owners also singled this out as an area in which EasySeva differs from other telecenter businesses. Thus, distinguishing a business from potential competition – in this case as a “service center,” as opposed to simply a telecenter or Internet café that does little beyond providing computers with a connection to the Internet – may be identified as a best practice that becomes increasingly relevant as a project starts to scale.

Owner satisfaction was uniformly positive as well: when asked directly, “Are you satisfied (so far) with EasySeva?” each 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 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 convenient for customers; positive survey responses to each of the above questions rated over 95%.

An additional aspect of the “low-hanging fruit” concept includes EasySeva’s pilot-stage focus on peri-urban areas, to target those regions and populations where a critical mass of people already exists who are aware of uses of computers and the Internet, but who are unable to afford this technology or connectivity on an individual basis. This best practice was mentioned above and is discussed in further detail below.

6.2.2 Innovative online services

Another form of value-adding is to provide innovative online services either not yet available elsewhere, or, if available, at a more competitive rate. 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 developing and offering these services eventually will be a distinct value-add for the Sri Lankan population in general (and for EasySeva customers in particular); such services likely would not be developed and offered as quickly on a nationwide basis without a coordinated effort such as that of EasySeva. This represents an important additional business strategy for EasySeva: 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 online. One in particular, International Direct Dial calling, 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% of whom are employed in the Middle East (Central Bank of Sri Lanka, 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 coming service anticipated by rural inhabitants is the ability to make doctor appointments and arrange hospital visits in the capital city of Colombo, where major hospitals and specialists are located. People will also be able to receive paperwork regarding these appointments over the Internet. These services will save time and the travel costs of multiple journeys to distant hospitals.

6.2.3 Services not available on mobile phones

As a general point, telecenter projects will need to focus their business strategy to provide services not provided by mobile phones, which are becoming ubiquitous across the developing world. Since 90% of the respondents to the survey distributed at the EasySeva centers reported that they owned mobile phones, it will be important for EasySeva to provide services not readily available over mobiles; this will hold true for telecenter initiatives across the developing world. At the same time, while the majority of Sri Lankans cannot yet afford to have computers with broadband Internet connections in their homes, most – 80% of the survey respondents – are aware of the Internet, so there is a large potential customer base.

6.2.4 New ways of doing business: networking among franchise owners

New ways of doing business made possible by the scaling process rarely receive mention in the literature, as they are not yet relevant at the pilot stage. Networking among entrepreneurs, a good example of this, is useful for the sharing of innovative ideas, challenges – and their solutions – with others in the same situation in a collegial, noncompetitive environment. In fact, the more

information shared, the stronger the network and the better the chances of success for all; this is a principal advantage of the franchising model. While this type of networking is not yet part of the business mindset in Sri Lanka, a few weeks after the fieldwork was carried out, EasySeva began actively promoting entrepreneur networking at regularly scheduled workshops. These workshops – where numerous business-promoting concepts are covered – provide the opportunity for owners to meet in person, build levels of interpersonal trust, and counter the perception of competition. At the time of the interviews (which took place before the workshops), divergent views were in evidence: some of those working in EasySeva centers did not yet grasp the usefulness of networking and still viewed other owners as adversaries, while others had already begun the exchange of ideas and information.

In the future, EasySeva plans to expand workshop offerings to include center employees as well. At this time, however, there remains a challenge, one that is by no means unique to EasySeva: workers who have received (free) IT training often seek higher-paying jobs elsewhere once their skill levels have increased. Of course, worker retention is a challenge for businesses of every kind, all over the world.

Table 2 summarizes both the business strategies and the service innovations proposed and implemented by EasySeva.

6.3 Office staff experience, commitment, and work ethic of crucial importance

Another overall success factor virtually absent from the ICT for development literature is the importance of the level of experience, motivation, and commitment of the project's staff. It would be difficult to overstate how central to the success or the failure of any such project those responsible for its implementation are. Practitioners navigate the interplay between the top-down and the bottom-up aspects of a project. They are responsible for carrying out the 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, motivated by a belief in the project's ability to enable positive change and foster development.

All of those involved in EasySeva's design and implementation, including the entire project management team, had prior experience planning and deploying ICT-for-development projects; EasySeva benefited significantly from their understanding of what worked and what did not in the past. This experience facilitated the creation – and continual revision, where necessary – of EasySeva's plan of action. Firsthand observation and interviews also revealed the staff members' commitment to and belief in the project, their flexibility in navigating the challenges that arose, and their willingness to work long hours in order to move the project forward. Further scholarly review of this crucial aspect of such projects – the practitioners and their vital role in carrying out project implementation – is certainly warranted.

Table 2. EasySeva business and services innovations.

Business strategies	Innovative online services
In-store customer services	International direct dial calls at lower rates
Networking among franchisees	Hospital appointments and follow-ups
Quarterly workshops/trainings for franchisees	Online banking and money transfer
Locally driven promotion and advertising	Online bill pay (e.g. mobile phone bills)
	Technical skills courses
	Small group trainings

6.4 *Large-scale challenges on the national level*

Many of the issues faced by the project practitioners present somewhat of a chicken-and-egg dilemma. This may be seen most notably with the availability of services and in the awareness-raising campaigns. It can be difficult to put innovative services into place without a critical mass of users, yet it is also difficult to cultivate a critical mass of users for services not yet available. In a similar vein, it is difficult to conceive of a nationwide advertising campaign 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 depend upon the central organization to carry out their publicity.

6.4.1 *Publicity and awareness-raising campaigns*

These raise a few questions: At what point in the scaling process does it become appropriate to launch a large-scale, 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, distinctions between those with visions for the future of their centers and those without became quite clear, as did those between owners with entrepreneurial drive and those that simply 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. Better methods of identification and selection of entrepreneurially minded future center owners were already going into effect at pilot-stage completion – another example of adjustments being made at the crucial stage between pilot and scaling.

Marketing and advertising on the EasySeva project, at the time of field research, remained generally 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, however, had begun their own publicity initiatives and were seeing demonstrable results. This issue will need to be clarified and addressed as EasySeva moves forward.

The topics of publicity and/or awareness-raising campaigns are rarely addressed in the literature dealing with pilot projects, as they arguably do 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; this decreases the likelihood of project success. Awareness of a project is, in fact, of importance equal to the availability of innovative services. The services offered by this project are indisputably original and will be invaluable across the entire country when they become available. However, a concerted, coordinated nationwide awareness-raising campaign coinciding with the scaling of the EasySeva project will also be essential. EasySeva could, conceivably, capitalize on the existing marketing capabilities of project partner Dialog Telekom. The capacity to lead or facilitate such a campaign already exists for Dialog Telekom: it is, after all, one of the nation's leading service providers. Since Dialog Telekom has a financial stake in the success of the project, it would be in their best interests to work together with EasySeva on publicity – another example of how partnering provides incentives aligned to the best interests of the project. At the time of the fieldwork research, there were already plans underway to capitalize on Dialog Telekom's brand recognition by revising the EasySeva logo to match or become similar to the nationally recognizable Dialog Telekom E-Z logo.

6.5 *Local and regional challenges*

Another rarely noted issue concerning pilot projects as yet untried by the challenges of scaling is that regional differences will dictate local usage patterns in the individual telecenters, and, thus, how 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 to make use of his telecenter; this clearly was not the case for other telecenters in which schoolchildren occupied every available computer. Additionally, in some cities, the EasySeva centers represented the only public Internet access. In others, 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 that means raising Internet awareness in general, or differentiating a center's services from that of a competitor. One center owner 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; in response, he has attempted to differentiate his center by making it the most modern-looking in the city.

6.6 Societal issues

6.6.1 Involving more females

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 visited. Females comprised just 25% of the survey respondents. Many of the center owners expressed the desire to increase the female customer base, but the means to do so remained elusive. Two owners mentioned that employing a female in the store helped other females to feel comfortable coming in to the store and becoming EasySeva customers: 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 currently not as many females as males in Sri Lanka 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.

6.6.2 Involving more schoolchildren

Surveys reported use of computers for school-related tasks lower than expected (at 17%), particularly when comparing these responses with what customers would like to use computers for (71% of the respondents indicated that they would like to use computers for educational purposes). Use of EasySeva centers (and of the Internet in general) for educational purposes will be an important area of future focus – the earlier in life one starts using a technology, the more likely that technology will be adopted and incorporated into one's activities and its potential benefits realized. Sri Lanka boasts nearly universal primary education, with a 97% enrolment rate and a 98% retention rate through grade 5. Thus, a case may be made that 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. During the interviews, there was just one franchise owner who had made an agreement with a local school and provided free Internet use to children demonstrably using the service for school-related assignments.

6.6.3 Local social values can be proactively upheld

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 interviewed mentioned that they have stopped customers from

using the computers and the Internet for watching pornography (this may also contribute to females being more comfortable coming in to the centers).

6.7 SME development: initial focus where demand exists

Finally, as noted above, EasySeva supports and promotes SME private sector development in Sri Lanka. EasySeva's original business plan had focussed on rural areas of the country, as these were deemed to have the greatest need. However, as this project is, in the long run, a business proposition with profitability of paramount importance, the original plan was changed to focus on medium-sized cities throughout the country, in order to capitalize initially on the "low-hanging fruit" and realize a quick success during the proof-of-concept stage. Medium-sized cities generally have commercial centers, as well as a population that has attained critical mass in terms of computer knowledge and Internet awareness. However, most people were still not able to afford individual ownership of hardware and subscription fees for connectivity. This approach – of targeting the peri-urban or middle income level population – has been criticized by those concerned with realizing a benefit for the nation's poorest: such a model tends to benefit mid-size city dwellers and may exacerbate a rural/urban gap. As discussed above, we believe that the for-profit model associated with PPPs must, in fact, focus its efforts where they are most likely to realize both short- and long-term profitability, and it may be not until the scaling stage that more rural areas can be included as potentially profitable locations.

This point, though rarely acknowledged in the literature, is worth making: projects concerned with ICT for development must not make perfection the enemy of the possible. There is a need for the realization that helping medium-sized city residents – members of what may be considered a middle class of a given country – is indeed still helping with the overall goals of increased economic, social, and information "development."

In addition to general business creation – and the employment of the owners themselves – most of the EasySeva centers also provide employment to multiple staff employees, thus creating job opportunities while offering valuable services to the community and other local businesses. Because the project was observed during the period of transition from pilot to scaling, it is too soon to comment on its outcomes. The degree to which EasySeva will contribute to small business-promotion across the country will become evident over time as the project scales. Yet, with 400 centers planned for deployment across the island, the potential for employment generation and technology diffusion, as well as for serving increasingly varied sizes of communities, is significant.

7. Conclusion

PPPs offer great opportunities for technological advancement in the developing world. Still, there is a need for careful study of the initiatives for which they are formed, in order to better understand what makes for successful projects and enable the encouragement of appropriate use of ICTs to further human development. Sustainability and scalability of these projects have been identified as important success factors, but, as few pilots have successfully reached the scaling stage, the opportunity for scholarly analysis has been limited.

This article presented a case study of a PPP designed with scalability and sustainability as main goals from the very beginning. The project has the potential to promote development in the SME sector of the Sri Lankan economy. The proof of concept demonstrated at the completion of the project's pilot stage inspired additional (re)investment funds from EasySeva's own private partners. These funds enabled EasySeva to begin the scaling process. Such reinvestment clearly signifies confidence and long-term buy-in on behalf of the project partners; it also

demonstrates that the partnership has been effectively designed in terms of the alignment of stakeholder incentives; this bodes well for the continued success of the project. In terms of the business model employed, both the franchising aspect and the publicly funded venture capital design were identified as important success factors for sustainability and scalability.

The fieldwork informing this article was carried out at the seldom-studied transition point between the completion of the pilot project and the commencement of the project's scaling. A number of challenges and success factors were identified that are rarely addressed in the literature, mirroring the fact that since few pilot projects progress to the scaling stage, rarely do they face the issues associated with its attendant growth and transition. Included among the topics addressed were as follows: the differentiation of services being offered (that are not available over mobile phones) and the understanding of how best to promote these locally; the importance of a marketing campaign to raise awareness of the availability and value of the new services being offered; the promotion of technology uptake (and service center use) among females and schoolchildren; the promotion of new ways of doing business – in this case, networking; and the critical importance of experience and commitment on the part of the project staff.

The article presented a number of issues that the EasySeva project is successfully addressing, as well as some challenges that remain. There is great potential for lessons to be learned by other ICT-related development projects, both from the best practices exhibited and from the challenges encountered in the planning and the 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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