

**CRITICAL SUCCESS FACTORS FOR
TECH START-UPS IN SRI LANKA**

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Master of Business Administration in Information Technology

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March 2016

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Thesis submitted in partial fulfillment of the requirements for the degree
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J. L. N. S. Silva

I have supervised and accepted this thesis/dissertation for the award of the degree.

Dr. H. M. N. Dilum Bandara

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ABSTRACT

Majority of the tech start-ups fail to establish themselves and become successful. This is not just in relation to the Sri Lankan start-ups but a common problem faced globally. While most of the start-ups fail, some start-ups manage to establish themselves and become successful. Even among them, only a very few start-ups go on to become extremely successful. While success of these start-ups can be attributed to many factors, it is imperative to understand the specific/key success factors particularly in the Sri Lankan tech start-up context. As we see a rapid increase in the number of Sri Lanka tech start-ups, understanding of such factors could help the budding start-ups to align their strategy to benefit from critical success factors while avoiding some of the pitfalls.

This study attempts to establish the most critical factors that affected the success of tech start-ups in Sri Lanka. These factors are identified by studying the start-ups that are now established in the industry. Gaining understanding on what paths were taken as a start-up and what paths to be avoided is the main focus.

The methodology employed for the study was a series of interviews with industry leaders who founded start-ups and was an eventual success in the industry. A case-by-case account of each of these individuals was used to create the model which this study attempts to design. Grounded theory was employed to analyse the data that was gathered. Findings showed that industry experience, communication, passion, planning, innovation, R&D expenditure, market scope, brand, recognition, credibility, networking, financial resources and IT workforce are among the critical success factors for tech start-ups in Sri Lanka.

Keywords: Critical Success factors, Entrepreneurship, Tech start-ups.

ACKNOWLEDGEMENT

I wish to express my deep gratitude to all those who have helped me in successfully completing my research study on “Critical Success Factors for Tech Start-ups in Sri Lanka”.

First and foremost, I wish to thank my research supervisor Dr. Dilum Bandara, Senior Lecturer of the Department of Computer Science and Engineering, University of Moratuwa, for the continuous support, encouragement and attention that was extended to me in realizing the research objectives.

Further I wish to convey my special gratitude to CEO’s, Founders and Entrepreneurs who gave me their precious time and valuable insights into Sri Lankan entrepreneurial landscape making this research possible.

Furthermore my earnest thanks to Dr. Chandana Gamage, Senior Lecturer of the Department of Computer Science and Engineering, University of Moratuwa, for the guidance a resources provided to me in bringing this study a success.

My heartfelt appreciation should go to my loving wife Sudarshi, for all the encouragement, care and unconditional support given to me throughout the good and bad times during this research.

Finally I wish to convey my heartfelt thanks to all those who helped me in many ways whose names have not been mentioned above, but were instrumental in bringing this study a success.

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ABBREVIATIONS

BPM	Business Process Management
BPO	Business Process Outsourcing
GDP	Gross Domestic Product
HR	Human Resources
ICT	Information and Communication Technology
IP	Intellectual Property
IQ	Interaction Quality
IT	Information Technology
POS	Point Of Sales
R&D	Research and Development
SMB	Small and Medium sized Businesses
UBI	University Business Incubators
VC	Venture Capitalists