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## Insight into the banking sector

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### Abstract

This research centers on the banking sector. Sound and strong financial infrastructure is one of the basic foundation stone for the development of any economy. Banks play an important role in financing the economic needs of the country. They form the core of a nation's financial system, performing the vital function of financial intermediation and act as a link between the savers and the borrowers.

**Keywords:** private banks, Colombo, supply chain management, central bank, Sri Lanka, commercial banks, performance and banking sector

### Introduction

The more efficient a financial system is in resource generation and in its allocation, the greater is its contribution to economic growth (Rakesh Mohan, 2005). The service sector contribution to the economy was immense in Sri Lanka over the past years where the Sri Lanka's Gross Domestic Product (GDP) grew by 4.8% in 2015. Further the Services sector continued to be the largest contributor to GDP and grew by 3.4% in 2015 led by strong expansion in financial, insurance and real estate related activities as well as wholesale and retail trade activity. Based on the above performance findings it is evident that Commercial banks play a significant role in economic development in Sri Lanka. Commercial Banks are a nerve-center of the country's capital market, industrial as well as trading activities. (Economic Research Department -CBSL Press Release, 2015).

"The birth of a bank is an important milestone in the economic history of a country. The message it conveys that Sri Lanka is opening out and the investors have faith and confidence in the country and the space to grow" Former Central Bank Governor (Ajith Nivard Cabraal, 2014) at the Cargills Bank's Inauguration Ceremony.

To strengthen the nation's economy a group of stakeholders was keen to open a Commercial bank and finally it was become real in 03 November 2011 by incorporating of "Cargills Agriculture and Commercial Bank Limited" under the Companies Act No 07 of 2007. It was approved as a Licensed Commercial Bank under the Banking Act No. 30 of 1988 on 21 January 2014 and became the 25th licensed commercial Bank in Sri Lanka with Rs.10.6 Billion capital funded by influential consortium of investors. The Bank has received its license from Central Bank of Sri Lanka to operate domestic and offshore banking business on 21 January 2014 and was ceremonially opened on 30 June 2014. At present the bank consists of 15 branches island-wide with the head office based in main capital of Sri Lanka.

The major shareholders of the Bank are Cargills Ceylon PLC and CT Holdings PLC, both highly diversified conglomerates listed in the Colombo Stock Exchange with interests in entertainment, hospitality trade, property development, manufacturing, food processing and retailing. Cargills Ceylon PLC, a Sri Lankan corporate established in 1844 is built on a strong foundation of values and ethics. Cargills Bank is also well partnered through investments of leading corporates in the country whose brands, financial performance, market share and business foresight have been in highest echelons of their respective fields. Most significant amongst them are; Employees Provident Fund (EPF), MJF Foundation Investments (Pvt) Ltd, Melwa Group, AIA Holdings Lanka (Pvt) Ltd, Softlogic Holdings PLC, Phoenix Ventures Ltd, MAS Capital (Pvt) Ltd, Asian Alliance Insurance PLC, Rosewood (Pvt) Ltd and Lalan Rubber Holdings (Pvt) Ltd.

Cargills Bank slogan "Banking on the Human spirit" (Cargills Bank, 2017) motto of philosophy was founded upon being consistently available to the customers and to simplifying the banking transactions by offerings simple yet innovative and attractive banking products. The fortunes of our nation has grown around agriculture. Cargills (Ceylon) Plc, the bank's main sponsor has always believed that uplifting the people in the rural sector will strengthen our nation, holding the belief that our nation has always been an agrarian society, from the ancient kings to this day.

The Corporate governance of the bank provides the structure to achieve the objectives that are set by Cargills Bank's corporate management team which consists of extensive professionals and facilitate effective relationships between the management and its Board, shareholders, and other stakeholders. Cargills Bank Board consists of eight Directors of which four are Independent Non-Executive Directors, one Senior Independent Non-Executive Director and three Executive Directors.

In Sri Lanka Banks have a tendency to push the customers to

buy what they offer, rather than allowing customers to select their preference. Once it comes to Banking products it is about what customers need. Hence Cargills Bank offers Innovative products to redefine banking convenience. With the banking expertise of Board of Directors stakeholders can rest assured that their wealth is protected and nurtured.

### 1.1 Cargills Bank's Products and services

Cargills bank offers products and services to their customers under three main categories which are personal banking, corporate banking and other products and services.

#### Personal banking

- Savings Accounts
- High Return Saver
- Children's Savings Account
- Cargills Bank Salary Account
- Senior Citizen's Savings Account
- Current Accounts
- Foreign Currency Accounts
- Fixed Deposits
- Certificate of Deposit
- Loans
- Home Loans
- Personal Loans
- Vehicle Loans
- Doctor Loans
- Educational Loan
- Loan against Property

#### Corporate Banking

- Corporate & Small and Medium Enterprises (SME)
- Trade Services

#### Other products and services

- Remittances
- Treasury Products
- Treasury News
- Online Banking
- Connected ATM 2500 plus

## 2. Theoretical background of Planning function and the application of planning function of Cargills Bank

### 2.1 Introduction to Planning

Planning is one of the most important cornerstones in Management. Planning precedes other functions in the management process. Planning can be defined as the process of setting up goals and developing strategies and specifying tasks and schedules to attain these goals. In simple terms planning is the bridge of connecting present to the future. Planning starts from establishing mission and vision statement. Then it is followed by strategic goals, tactical goals and operational goals.

### 2.2 Organizational Mission

The mission states the organization's reason for its existence and it is in the top of the goal hierarchy. It describes the organization's values, aspirations, and reason for its existence. A well-defined mission is the basis for the development of all

subsequent goals and plans. Goals and plans developed randomly without a clear mission; would not take the organization in the direction it needs to go.

The formal mission statement is a broadly stated definition of purpose that distinguishes the organization from others of a similar type. A well-designed mission statement can enhance employee motivation and organizational performance. The content of a mission statement often focuses on the market and customers and identifies desired fields of endeavor. Some mission statements describe company characteristics such as corporate values, product quality, location of facilities, and attitude toward employees.

Cargills Bank's mission consists; Enhance financial inclusiveness through a unique and far reaching network, delivering superior accessibility and availability that directly engages every customer at their convenience through efficient and innovative technology deliver wealth and stability to all customers through convenient and secure products and services that exceed individual financial aspirations, Facilitate social progress by empowering farmers, agri, SME and rural communities by supporting income generating activities through personalized solutions, Enhance industry standards through a highly motivated team of innovative bankers, Create sustainable value for our investors through sound financial performance embedded in transparency & accountability.

### 2.3 Strategic Goals and Plans

Strategic goals are broad statements describing where the organization wants to be in the future. These goals pertain to the organization as a whole rather than to specific divisions or departments. Strategic plans define the action steps by which the company intends to attain strategic goals. Strategic planning tends to be long term and may define organizational action steps from two to five years in the future. The purpose of strategic plans is to turn organizational goals into realities within that time period.

- The main strategic goal of Cargills Bank is to be in the top 10 banks list in terms of both assets and profits in 2018 and further to be in the top 8 by the end of 2019.
- According to the Cargills Bank their key strategic plans to achieve above strategic goal are as follows
- Introduce Super Market Banking Model - Disrupt banking industry by activating CFC outlets through Cargills Cash & Special Financial services counters
- 365 days banking – open all branches 365 days with extended banking hours
- Promotion of Digital banking (Internet Banking, Mobile Banking etc.)

### 2.4 Tactical Goals and Plans

After strategic goals are formulated, the next step is defining tactical goals, which are the results that major divisions and departments within the organization intend to achieve. These goals apply to middle management and describe what major subunits must do for the organization to achieve its overall goals. Tactical plans are designed to help the execution of major strategic plans and to accomplish a specific part of the company's strategy. Tactical plans typically have a shorter time horizon than strategic plans. Normally they are prepared

for one-year period. Following are the Cargills Bank tactical goals for the retail banking, SME banking and Information technology segments.

### Retail banking

- Penetrate Salary Segment in top 50 companies using a payroll solution
- To achieve 8,000 Mn deposit in 2017
- To provide Rs 6,500 advances in 2017
- Enter strategic locations with 6 new branches

### SME banking

- Increase SME lending to Rs. 2.5 Bn focusing on secured lending
- Over 80% of SME loans with collaterals
- Information technology
- Run IT like a Business
- Ensure Information Security
- Adhere to Compliance, Risk, and Audit requirements
- Provide robust IT Infrastructure

### 2.5 Operational Goals and Plans

Managers use operational goals to direct employees and resources towards achieving specific outcomes that enable the organization to perform efficiently and effectively. One consideration is how to establish effective goals. Then managers use a number of planning approaches, such as management by objectives, single-use plans, and standing plans. These are some operational goals relate to the business banking of Cargills Bank Limited.

- Asset Growth of 51.8% (Rs 5.7 Bn) by focusing on higher margins
- Branches in key strategic locations (eg. Pettah) to drive Bank's profitability
- Target sectors e.g. Construction, Trading & Exporters.
- Fee income: Trade and Bank guarantees. Increase by 50%.
- Income per employee at Head Office is currently Rs. 36.8 Mn per employee. Expedite client acquisition with recruitment of individuals with a good contact base.
- Strengthen and enhance existing Business Banking relationships
- Optimize the Project Management team to break into supplier relationships

### 2.6 Aligning Goals with Strategy Maps

Strategical goals, tactical goals and operational goals need to be aligned with organizational strategy map. In order to achieve higher level goals, it is very critical to fulfill goals at lower level. Organizational performance is an outcome of how well these interdependent elements are aligned, so that individuals, teams, departments, and so forth are working in concert to attain specific goals that ultimately help the organization achieve high performance and fulfill its mission.

### 2.7 Management by Objectives (MBO)

Management by objectives is a system whereby managers and employees define goals for every department, project, and person and use them to monitor subsequent performance. The

following are the four steps of Management by Objectives followed by Cargills Bank in its agri/dairy department.

- Set goals - Setting goals involves employees at all levels and looks beyond day-to-day activities to answer the question "What are we trying to accomplish?" These are the Agri/Dairy Objectives;
  - Agri/ dairy account credit turnover to be increased over Rs. 3.5 billion by the end of 2017
  - Aim towards mandatory 10% agri lending portfolio of Central Bank.
  - Acquire and Enhance capacities of 3,000 farmers with the assistance of various donor/ government agencies
- Develop action plans - An action plan defines the course of action needed to achieve the stated goals. Action plans are made for both individuals and departments. As example action plan for Agri/ Dairy;
  - Use recommendations from Cargills collection centers
  - Promote new farmer loans with Central Bank re-financing.
  - Dedicated Agri/Dairy staff in specific branches to give focus and to ensure the success of our model
  - Lanka Pay and Cargills Cash to support and provide convenience
  - Place lending officers in vegetable /milk collection centers supported by mobile technology at Cargills outlets and ATM utilization
  - Minimize turnaround times for credit approval – eligibility criteria
- Review Progress - A periodic progress review is important to ensure that action plans are working.

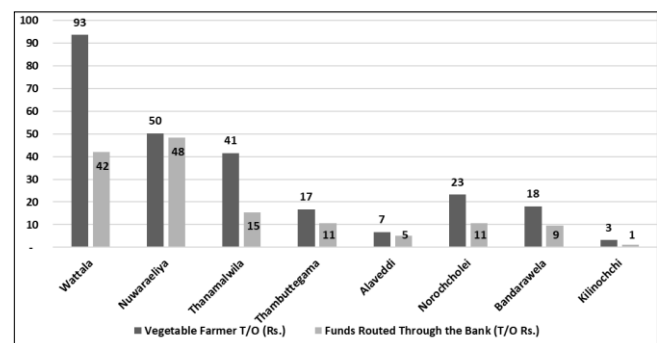


Fig 1: The settlement details for month of August 2016

- Appraise overall performance- The final step in MBO is to carefully evaluate whether annual goals have been achieved for both individuals and departments.

### 2.8 Contingency Planning

A contingency planning is vital to organization when organization has to respond effectively to a significant future event or situation that may or may not be happen. Cargills Bank is having a very comprehensive disaster recovery plan for the purpose of on-going business operations in any emergency situation. It addresses several defensive actions to be used in such situations, e.g. Alternative work areas, off – site data back-ups, conduct drill tests, alternative ways of

doing things such as in a power failure etc.

## 2.9 Traditional Approaches to Planning

Traditionally corporate planning has been done entirely by top executives by consulting firms or central planning departments. Central planning departments are groups of planning specialists who report directly to the CEO or president. This approach was popular during the 1970s. Planning specialists were hired to gather data and develop detailed strategic plans for the corporation as a whole. This planning approach was top down because goals and plans were assigned to major divisions and departments from the planning department after approval by the president. Currently Cargills Bank is following this traditional approach to set their plans.

## 2.10 Use Performance Dashboards

Companies began using business performance dashboards as a way for executives to keep track of key performance metrics, such as sales in relation to targets, number of products on back order, or percentage of customer service calls resolved within specific time periods. Today, dashboards are evolving into

organization- wide systems that help align and track goals across the enterprise.

## 2.11 Strategic Management

Strategic management refers to the set of decisions and actions used to formulate and execute strategies that will provide a competitively superior fit between the organization and its environment so as to achieve organizational goals. Strategic management process begins when executives evaluate their current position with respect to mission, goals, and strategies. They then scan the organization's internal and external environments and identify strategic factors that might require change. Internal or external events might indicate a need to redefine the mission or goals or to formulate a new strategy at either the corporate, business, or functional level. The final stage in the strategic management process is implementation of the new strategy. This is the SWOT Analysis for Cargills Bank Limited.

Then see how the Cargills Bank Limited manage their environmental factors. Strengths are matching with opportunities.

**Table 1: SWOT Analysis - Strengths and Opportunities**

Strengths	Opportunities
Super Market Banking Model	365 days banking with extended service hours through CFC
	Build a retail focused bank by deploying trained floor walking staff
	Off the shelf banking solutions and instant services through financial service counters at CFC
The "Cargills"; established household brand name	Loyalty Program & cross sell with CRM to CFC customers
Existing CFC outlet reach	Provide convenience to customers via digital solutions via island-wide CFC coverage
	Acquire 50,000 customers annually from the daily foot fall of over 25,000 customers at CFC
Existing Supplier & Distributor network of the Group	Develop products to exploit value chain

**Source:** Interview with Financial Manager of Cargills Bank

Weaknesses can overcome in different ways.

**Table 2: SWOT Analysis – Weakness and ways to overcome**

Weaknesses	How to overcome
Difficult to canvass customers due to the late entrant in to the market	Shake the market with supermarket banking model with 365-day extended banking window
Limited access points	Utilize the island wide CFC network with digital products
Low customer confidence	Utilize the "Cargills" brand name
Difficulty in establishing Correspondent banking relationships & domestic funding lines	Leverage Cargills importer relationships with overseas banks
	Move to profitability during 1Q2017 and re-try relationships and funding lines

**Source:** Interview with Financial Manager of Cargills Bank

Let's see how to convert the threats in to opportunities.

**Table 3: SWOT Analysis – Threats and ways to convert it to opportunities**

Threats	How do we convert to opportunities
Un expected regulatory changes	Develop proactive relationships with CBSL and Fin Min to try to foresee changes
Intense industry competition	Ensure low cost structure is maintained
Strong bargaining power of customers	Differentiate through digital convenience, and faster and friendlier service
Potential disruption from Fintech	Promote Cargills Cash Develop and offer new digital products with convenient banking proposition Partner with Fintech
Potential loss due to Fraud, Cyber Crime, and non	Educate staff on guidelines, policies & procedures Introduce a screening process and strengthen the compliance function Implement Fraud Monitoring and the Fincert Security Operations Centre

**Source:** Interview with Financial Manager of Cargills Bank

Finally, management is developing new strategic capabilities.

**Table 4:** Current and new competencies of Cargills Bank

Current Competencies	New Competencies
Sales & Service	Execution excellence and speed to market
Traditional Banking	CRM Lean Management & Process Improvement MIS capability Digitalization Talent Management

*Source:* Interview with Financial Manager of Cargills Bank

### 3. Critically Evaluation of the Planning Function of Cargills Bank Ltd

#### 3.1 Vision of Cargills Bank Ltd

Vision is the most prominent factor to develop a planning process for an organization. Without identifying the core competencies and the position which the organization wants to reach in the future any sophisticated planning process will fail because planning process starts with the organization Vision. It defines the organization, its core business, its direction and its core competencies. Vision is the organization's reasoning to exist.

**Table 5:** Vision of Cargills Bank and four leading private banks in Sri Lanka

Bank	Vision
Cargills Bank	To be the most inclusive commercial bank in Sri Lanka harnessing the spirit of progress in every Sri Lankan
Commercial Bank	To be the bank of excellence in service and commitments
Hatton National Bank	To be the acknowledged leader and chosen partner in providing financial solutions through inspired people
Seylan Bank	To be the Sri Lanka's leading financial services provider – as recognized by all our stakeholders
Sampath Bank	The growing force in Sri Lankan financial services

*Source:* Annual Reports of Commercial Bank of Ceylon PLC, Hatton National Bank PLC, Seylan Bank PLC, Sampath Bank PLC

Being the newest entrant to the banking industry it may not be fair to compare the competitors' vision. When examining other banks' vision, it is clearly visible the power and urge behind the other organizations. The underlined words of the competitors' visions generate more power and clear direction than the vision of the Cargills Bank Ltd. A powerful vision statement not only provide a platform to formulate long term strategies and goals but also it will make the employees more engaged with the vision of their organization. The first impression we get, when looking at the vision of Cargills Bank is that they are trying to provide all normal banking facilities rather than becoming the most excellent or prominent bank in Sri Lanka.

Apart from the banking industry, when Tesla Motors Inc. enters into the automobile industry General Motors and Toyota were dominant in the market. Tesla Motors Inc. could have set the goals aiming little low. Instead of just being another average car manufacturing company Tesla motors Inc. wanted to disrupt the market. They envisioned themselves to become the most compelling car company by driving the

world's transition to electric vehicles.

However, the banking industry is much more different and highly unique from the rest of the industries. It is very difficult to penetrate into the banking industry at its initial stage. It is heavily regulated by the Central Bank and the rules and regulations are regularly changing. Aravinda Perera, Managing Director of Sampath Bank says, "... with technological developments, an entity would not make massive profit in being different or try to disrupt the industry with a novel idea, because the others will follow you quickly. At Sampath, we have made lot of disruptions in the banking sector. In the earlier days disruptions were profitable. But now the problem is, when you come up with a disruption, the duration between you coming on screen and others coming on screen is very short."

Even though there Vision is not compelling enough they have well defined mission statement. Enhance financial inclusiveness through a unique and far reaching network, delivering superior accessibility and availability that directly engages every customer at their convenience through efficient and innovative technology deliver wealth and stability to all customers through convenient and secure products and services that exceed individual financial aspirations in order to facilitate social progress by empowering farmers, agri, SME and rural communities by supporting income generating activities through personalized solutions to enhance industry standards through a highly motivated team of innovative bankers create sustainable value for our investors through sound financial performance embedded in transparency & accountability.

#### 3.2 Strategic Goals and Plans of the Cargills Bank

When we analyze the plan of Cargills Bank for next three years (2017-2019) we can identify that they are mainly focusing on two kinds of customers. The customers of Cargills super market chain and its suppliers including farmers. This is a very viable approach since it is one of their core competencies. Their super markets already have created a good relationship with its suppliers since they are buying products directly from them. If the bank would be able to attract the suppliers it will be very helpful to attain their objectives. According to the Central Bank report of 2015 28.2% of employees are working in agricultural sector. To achieve their Strategic Goal, Cargills Bank focuses on three main strategies which they believe will help them to gain competitive advantages over other Competitors.

They are,

E. Super Market Banking Model

F. 365 days banking

G. Promotion of Digital banking

As planned if they would be able to start service counters at every food city (170) they will be able to attract 50,000 new clients each year since they estimate 25,000 customers daily do transactions in their food cities. Since all the main banks provide similar kind of facilities Cargills Bank has to introduce really attractive products at super markets to afford the customers to change their banks. But they have to consider how much cost they have to bear to mini branches/cash

centers in every food city and concentrate more on security, customer confidence and as well as the rules and regulations imposed by Central Bank.

Most private banks have already opened 365 days banking on different locations especially in main cities with extended service hours. So from opening all the branches 365 day Cargills will not be able to take competitive advantages over other banks. Cargills Bank plans to open 6 branches in 2017 and they have planned to locate all of them in industrial areas where other banks have already opened 365-day branches.

Even though Cargills Bank is planning to have competitive advantages via above three, many domestic banks already have introduced those facilities. Now every Sri Lankan bank including government banks have introduced online banking to their customers. Customers can transfer funds, pay utility bills, etc. through online banking. So it is not clear how Cargills Bank will have competitive advantages through digital banking. In their plan they have mentioned they will link online accounts with FB, Viber etc. But in their plan they have not mentioned how it is connected and what sort of actions would take to secure data.

The second and third strategies do not match each other as well. With the technological developments, now the banking industry is promoting a cashless transaction system. It will be happening through the debit and credit cards, e-money facilities, digital banking etc. While being in that kind of a situation they also focus to open all the branches 365 days in order to facilitate customers. If they would be able to reach the ultimate goal of digital banking, opening banks for extended days/hours will be extra cost specially when they are trying to penetrate the market with a low budget. However, it will be worthwhile to introduce 365 days banking in rural areas where the technologies is not developed that much.

### 3.3 Advances to Deposits

When we analyzed the budgeted figures for year 2017 to 2019 we noticed that advance to deposits ratio is higher than 100%. It indicates that the bank will have to utilize shareholders equity to provide advances. All other reputed banks maintain this ratio below 100%.

### 3.4 Strategic plan for the development of the Information Technology of Cargills Bank

Cargills Bank really focuses on IT department and plan to run the IT department like a separate business. Actually, it is a really vital and essential thing in banking sector. Development of IT has helped people in various ways by introducing innovative products and makes their life easier. But the threat of hackers login into information systems and databases and involve in frauds has increased dramatically at present with the technological development. As a bank, it is compulsory to draw attention to information security as well as providing sophisticated IT facilities to customers as digital banking is one of the main strategies of Cargills Bank to attract customers.

### 3.5 Centralized planning

When we analyzed the planning process of Cargills Bank Ltd, it is clear that the planning process does not involve the

middle level managers. Though this is still a private limited company and owned by the group of people they prefer to make decisions at their discretion. When we discussed with the Financial Manager, he mentioned that the planning process is not that much divulge to the middle and operational level. The long-term goals, strategies and targets are coming from the top-level management. This creates a low motivation among the operational level employees of the organization and also their valuable ideas and thoughts will not be considered.

### 3.6 Planning on Control

Cargills bank has developed a sound plan to review their progress. They continuously monitor whether the actual results are aligning with their planned figures. They visit branches regularly, analyzing performance monthly as well as weekly. If there are any considerable deviations from the original plans, they analyze the reasons for such and take necessary actions. Also, they are preparing performance-based evaluations schemes. Cargills Bank's Corporate plan and budget are evaluated at the mid of the year and prepare reforecast plans and budgets accordingly. For more insight on corporate performance read (Nwokwu, Dharmadasa, and Rathnasingha, 2018; Nwokwu, 2019 1.A.1; Nwokwu, Rathnasingha and Pradeep, 2019; Nwokwu, 2019 1.A.4; Nwokwu, Atapattu and Azeez, 2019; Nwokwu, 2019 1.A.5; Nwokwu and Atapattu, 2019; Nwokwu T. C. (2018); Nwokwu, 2019 2.A.7).

## 4. Conclusion

The newest entrant to the Sri Lankan banking industry Cargills Bank limited started its operation on June 2014 with the vision of "to be the most inclusive bank harnessing the spirit of progress in Every Sri Lankan". The main strength of the bank is the brand name of Cargills and its customer & supplier base.

Cargills Bank Limited has a clear and well-defined mission statement that helps them to actualize their strategic goals and plans. The main strategic goal of Cargills Bank is to be in the top 10 banks list in terms of both assets and profits in 2018 and further to be in the top 8 by the end of 2019. Their strategic, operational and tactical plans are developed to reach to their strategic goal.

The strategic plan of Cargills Bank to penetrate the highly competitive Sri Lankan Bank industry is evolved around Cargills food City chain, digital banking and 365-day banking. Cargills Bank has developed a sound contingency plan. They use performance dashboards for setting sectional goals for excellence.

Strategic management creates the organization's current mission, vision, goals, and strategy. This evaluation is monitored by position analysis, which examines opportunities and threats in the external environment as well as strengths and weaknesses within the organization. Cargills Bank designed their strategies in such a way as to use their planned preparedness to maximize their strengths and opportunities, thereby minimizing their weaknesses and threats, in order to achieve their strategic goals.

When we studied the planning process of Cargills bank we

identified that all the strategic plans were drawn by the top management without the contribution of middle and lower level of management and employees. The middle and lower level management do not appear to have a sound knowledge of bank's future ambitions. Even though the bank plans to penetrate the Sri Lankan market with digital banking, other banks have already introduced online banking facilities with various products. The plan of Cargills bank lack the actions they intend to take in order to have competitive edge over the competitors. Even though they plan to attract food city customers via outlet cash counters and agricultural suppliers they have not introduced attractive products yet to win these prospective clients.

## 5. Recommendations

- As a new entrant to the banking sector of Sri Lanka, Cargills bank has to adhere to many rules and regulations imposed by the CBSL. Further when Cargills Bank introduces the innovative products there will also be lot of restrictions imposed by CBSL. In 2014, Cargills Bank had to redesign its entire business strategy due to the imposition of certain external rules and regulations. Therefore, they need to design its business strategy very cautious in order to be competitive in the banking sector while adhering to the rules and regulations imposed by the CBSL.
- Cargills Bank's decision making and planning process are centralized at the top management. When we discuss with one of the Cargills Bank's middle level managers we realized that their involvement is very insignificant in the planning process. The planning process of Cargills Bank comes down from top to bottom. However, it may be impractical to involve the employees in the planning process at the current condition since the Bank is still in its initial stage. However, we strongly recommend the Cargills Bank to increase the involvement of its employees gradually with the growth of the Bank.
- Cargills Bank plans to be one of top 8 banks in Sri Lanka by the end of 2019. Therefore, they are planning to introduce innovative products that could penetrate the market. However, it can be seen that they have not focused enough to introduce the basic products such as credit cards and debit cards even. Also, they should concentrate more on expanding their branch network since the planned number of branches will not be sufficient to compete with other banks. This will allow the Cargills Bank to fulfill their strategical and tactical goals by attracting customers in the rural areas.
- According to the Bank's strategic plan the forecasted advance to deposit ratio is more than 100%. As this is not a typical industry practice they should explore means and ways to increase the deposits. In order to achieve this Cargills Bank should develop strategies such as attracting more corporate clients and collection accounts without only focusing on Cargills food city customers and suppliers.
- Cargills Bank's goals are highly ambitious even though they made a loss of Rs 316 million in 2015. To be in top 8 banks list is very ambitious goal and to achieve this

colossal goal, their vision should be more powerful and compelling enough to drive their organization to their intended state. When compared with top four private banks it can be identified that possess more influential and compelling vision to drive their organization to excellence. Therefore, it would have been better if the Cargills Bank could come up with powerful and compelling vision that would made the stakeholders such as employees, customers and potential investors more excited.

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