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**HOW IT COMPANIES IN SRI LANKA
SURVIVE IN THE ECONOMIC CRISIS AND
THRIVE THROUGH IT**

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Degree of Master of Business Administration in Information Technology

Department of Computer Science and Engineering

University of Moratuwa

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The dissertation was submitted to the Department of Computer Science and Engineering of the University of Moratuwa in partial fulfilment of the requirement for the Degree of Master of Business Administration in Information Technology.

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DECLARATION

I declare that this is my own work, and this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Date

(Signature of the candidate)

The above candidate has carried out research for the Master's thesis under my supervision.

30/06/2025

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Dr.Sandareka Wickramanayake

Date

Signature of the Supervisor

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ABSTRACT

Prior to the pandemic and crisis, Sri Lanka's IT sector employed over 120,000 people and ranked fifth in terms of export revenue for the 22 million-person island nation. However, those plans are went in jeopardy as it becomes more difficult to maintain regular business operations following crisis. Therefore, this research focus on Sri Lankan IT industry and economic crisis whereas to understand the different economic challenges faced by IT companies and strategies that IT companies uses to mitigate the negative impact from the crisis. Furthermore, this study focuses on assessing the success of the identified strategies implemented by the companies and thrive during the crisis period in order to gain in-depth knowledge on their strategies

The case study method used in this study is motivated by the need to understand the explored how Sri Lankan IT companies dealt with economic crisis through identifying exact economic hurdles, measures taken to mitigate the impact, and how successful they were. IT companies were selected for this study were mainly categorized on the basis of scale in terms of employees ranging from start-up to large scale. The data were gathered based on in-depth interviews and themes were generated using pattern matching and cross case synthesis.

Author for this study was able to identify different themes answering the research questions. Companies were facing specific economic challenges themes namely, liquidity, financing, revenue, costs, retention, workforce, infrastructure and supply chain. In terms of coping strategies there were many leading to success. Strategies to mitigated above challenges were themes as optimisation, diversification, flexibility, automation, retention, scaling, engagement and funding.

Long-term growth was reinforced by investments centred on sustainability, digital transformation, and strategic positioning. IT companies should place a high priority on staff retention, flexible business models, and financial readiness. Proactive action will increase resilience and guarantee ongoing success in changing economic circumstances.

Key words: IT companies, economic crisis, challenges, strategies, success

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LIST OF ABBREVIATIONS

ADB	– Asian Development Bank
AI	– Artificial Intelligence
BOI	– Board of Investment
BPO	– Business Process Outsourcing
CBSL	– Central Bank of Sri Lanka
COVID-19	– Coronavirus Disease 2019
CSM	– Case study method
ERP	– Enterprise Resource Planning
FDI	– Foreign Direct Investment
GDP	– Gross Domestic Product
HR	– Human Resources
ICT	– Information and Communication Technology
IMF	– International Monetary Fund
IoT	– Internet of Things
IT	– Information Technology
LKR	– Sri Lankan Rupee
NIE	– Newly Industrialized Economy
R&D	– Research and Development
RP	– Respondent
SMEs	– Small and Medium Enterprises
USD	– United States Dollar
WB	– World Bank