

■ *The brains that took a website that enabled Sinhala email to a Global Shop offering 51 million products to Sri Lankans*

By **CHERANKA MENDIS**

FROM a disruptive kid, taking apart anything he could get his hands on, from toy cars to phones, Dulith Herath today sits on a disruptive model that has taken e-commerce to another level.

From a five year old who carefully took apart his toy only to find a circuit connecting the wheels to a motor run by battery, which inspired him to create, innovate and prosper, Herath is today a self-acclaimed geek, a time-bomb of ideas and the Chairman of Kapruka, an e-commerce platform that is growing in size and value-added operation.

Joining Daily FT to share his story and details on his latest venture, the global shop concept, Herath believes it is his perseverance, curiosity and his insatiable hunger to push boundaries that has gotten him to where he is in life.

#### Whiz Kids and 'ahas-kuru' missiles

He claimed that his earlier inventions and discoveries always started with something or the other coming apart. However even before he sat for his grade five scholarship exam, Herath had a steady stack of Rs. 1000 notes under his home keyboard, maintaining his very own cash register. Purchasing computer parts and assembling them at home, by the age of nine he was selling home-made computers to friends.

Later on, he developed the popular Whiz Kids program with some of his friends at Royal College.

"I managed to gather all the geeks at school and formed the Whiz Kids group. I remember making them ID cards with their designations, etc. I really enjoyed doing it."

Noting that every geek at one point of time embraces hacking as the "coolest" obsession, he admitted that he too got in to it. Along with his friends in the group, Herath was busy building software, hacking, etc.

"I was interested to see how things work but not ideally within a legal framework. This was all fuelled by the passion I had. We did some crazy stuff back then; I was passionate about innovation."

All he wanted to do was try and when it proved successful, Herath moved on to another project with ease. He was also keen on robotics, and at the age of 12 he managed to design a robot that can walk and fire 'ahas-kuru' missiles at bystanders.

Among various other inventions, of which most cannot be cited on public forums is an intercom from his room to the kitchen to "ask them to bring me lime juice when I felt like it". He was even featured on national television on a program about elementary level hacking.

#### Artificial intelligence

Even with all his time mulling over what to make next, Herath

completed his Advanced Level examination with flying colours, coming in as seventh all-Island in mathematics and gaining entry to the University of Colombo. However his interest was in artificial intelligence, a subject that was not available here.

"My parents were able to buy me the ticket to go out and I chose the University of Kentucky where they had the program I wanted. I held four jobs there - morning at the cafeteria, during the day as a librarian and at night I delivered pizza and next morning as a grader. But I finished it in three years."

#### FT Profile

- Name: Dulith V. Herath
- Designation: CEO and Founder - Kapruka.com
- Education: Royal College Colombo 07
- Kentucky University (BSC in Computer Science)
- Age: 37 years
- Employment History: Microsoft Corporation USA, Dell IT Services USA

[www.sithiyama.com](http://www.sithiyama.com)

Even amidst all work, Herath did not let his curiosity rest. In 2000, even before Goggle could think of Google maps, he started [www.sithiyama.com](http://www.sithiyama.com). The site was the culmination of scanned maps taken from the survey department and published on the whole where one can spot the closest landmarks in an area.

"I went to the survey department got a map book, took it apart, scanned everything one by one and connected it together. It was one big JPEG probably the size of a wall. I put in to a web application so that it will show where you want to go. I created a website called [sithiyama.com](http://sithiyama.com) and put it up there," he explained.

This was just a pet project he did while still in the US with the help of a friend in Sri Lanka. Showcasing this at an IT seminar after his graduation, he piqued the interest of officials from Microsoft and was hired then and there. He worked there for three years.

"While I loved the exposure and the discipline I was getting, I continued doing my own thing," Herath said.

#### Start of Kapruka.com

Around the same time, Herath made a Sinhala email format. "During this time, to send emails in Sinhala you had to first download the kaputa font, install it to computer and the guy who reads it must also have the same to read it. It was a difficult, tedious process," he explained.

"I then created Sinhala email where the message goes as a JPEG image; hence anyone could see it without installing various apps." He received a 30-year patent from Sri Lanka in 2001.

"I really wanted people to use it and wanted one website on which I can put all my experiments. I wanted a generic name you cannot misspell and will not limit me to one category. This is how Kapruka came to mind. I put Sinhala email in there."

Initially Kapruka was only this. People were using it and he recalled what a thrill it was



to wake up and see six to seven people sending letters back and forth. However, after some time he noticed that most of the people using this facility were Sri Lankans living abroad.

#### Online selling

Since people were visiting the website, Herath decided to sell Sinhala CD's online.

"Back then online radio was not a popular trend and Lankans abroad tend to miss a lot of Sinhala music and Sinhala reading material. You either carry stacks of it when you leave Sri Lanka or expect a friend to bring it when they come. I thought why not sell some music."

With no infrastructure, he turned to his friend Sugath, since all his partners-in-crime has gone to other countries. Sugath, much older than Herath was an ex-telecom engineer who tried to do something like [sithiyama.com](http://sithiyama.com) but which was not as advanced.

After seeing the end product of Herath's, Sugath became a fan and a friend.

Together they got hold of CD cover pictures of the ever popular W.D. Amaradeva, Sunil Edirisinghe and other classics artists and put it up for a flat price of \$7 a CD.

He then built an e-commerce platform with a payment gateway and Kapruka became the first Sri Lankan website to get a payment gateway from Wells Fargo bank. Add to cart - go down - credit card number - order number. "I don't think anyone in Sri Lanka was even interested in selling something like that."

Having launched the CD initiative on 2 February, three days later on his birthday (5 February) he received his first order from Neil Dias from New York ordering three CDs.

"I was so excited," Herath recalled. "I got Sugath to send it to me, repackaged it, printed the address and name and sent it to Dias." Neil Dias was a happy customer and soon Herath began to see more movement in the website.

With increasing traffic he introduced some Sinhalese classics like Gam Peraliya and with that taking off, introduced flowers (brought from Deans Road) in to the system. "Things really picked up. We were getting six to seven orders a week of flower deliveries only!" This was in 2003.

It was also this that gave way to what Kapruka is now.

#### Growing the business

Next was cake. "I asked Sugath to go to the vendors and they were not interested in reselling their brands on an unknown website."

The first to make way for Herath and Sugath was Little Lion. With close to 15 orders a day, the business grew and more companies such as Fab entered the scene. Then came the fruit baskets and hampers.

"All this time the operation was run via skype calls and from Sugath's home. There was an ordinary table piled high with orders - this was the store-room for Kapruka," Herath recalled. "As business grew, we moved in to a 10x10ft room and hired our first employee. We leased a three-wheeler in an attempt to save money. It was impressive. We funded all this from the money we earned through Kapruka."

"At one point we had made \$400 for a month and we decided to split the profit - 50-50. That is how we did our accounts."

His \$200 was put back in to the business as he was earning a separate salary in the USA.

"We bought our first van, went to a bigger place, had 10-20 employees, stopped buying flowers from Dean's Road and bought the raw flowers and made the bouquets in-house."

They trained one of the three-wheeler drivers to make the necessary arrangements as they did not have a florist. He is today the Manager of the Kapruka flower department. "By now he has had Singaporean training etc."

#### Naming babies, checking horoscopes and delivering a unique model

Today, Kapruka brings in over Rs. 1 billion to the country of which 90% comes from Sri Lankans living abroad.

Herath said: "Two million Sri Lankans outside the country use this service heavily from money delivery to reloads to even naming babies." For a week,

challenge was to attract their attention and contrary to popular belief, discounts were not the solution he came up with. Rather, he chose choice.

"If you are given a huge choice of items, you have a reason to come to this store. Amazon has 51 million items; the number of items on ebay is mind blowing. Amazon is processing 70 orders per second. They have the most competitive prizes."

#### The Global Shop

"What I invented was the 'Global Shop' concept where a Sri Lankan can buy from Amazon through us without having to worry about customs or having to pay considerable shipping fees." Herath has worked on this for two years, drawing up the process and changing it until it is perfect; and only launched it five months ago.

Under the Global Shop, anyone can order from a variety of products from clothing to electronics listed on the popular Amazon.com and Ebay.com online shopping portals. The Kapruka fee is 5% and there is a guarantee that the goods will be down by ten days. "This is a disruptive model where bigger companies and brands will have to compete with ebay etc locally."

And the best part? This is not being done anywhere in the world. "We import, clear it, home deliver it and I have zero stock. How powerful is that? You can buy from discounts and sales on those sites as well. These are all US made, therefore are all 'A' grade products. (Asian markets get a C grade)."

Herath said: "You are getting a better product and I am paying the right amount of duty to the Government. The exchange out of the country is very low because we are paying the most competitive price to Amazon for products. It is a wonderful concept."

While the flagship store is located in Colombo 4, they encourage people to use the website from home, to assure easy access.

The response so far has been nothing short of amazing. "I want to grow this organically and slowly."

Kapruka has warehouses in New Jersey and Dallas, and goods are air freighted twice a week, while larger items are sea freighted for a flat rate of \$15.

Be it Nike, Barnes and Nobles or Victoria's Secret, customers can purchase from any website in the US through Kapruka.

#### Changing the landscape of business

"This is huge," he expressed enthusiastically. "The scope of this is so big it can change the landscape of Sri Lanka. People are ordering transmissions for their vehicles and even diesel generated lawn mowers through our sea freight option. We have a 40 foot container coming in."

Public awareness of online shopping has increased over the last two years with more and more online stores joining the bandwagon, but they cannot be compared to the size and scale of Kapruka.

#### A Sri Lankan concept to the world

Herath believes that he can reproduce the global shop context in other countries as well.

"It can be a Sri Lankan-built concept going to other countries." It is hard work; he admitted adding that once he is fully satisfied he would think of franchising it globally.

"This is a software I built," he said. "I still program and I love it. I work 18 hours a day. I code at least two-three hours a day. What is key in this entire operation is the software that links different systems."

Herath expressed: "Behind any successful e-commerce or IT company there is a geek at its core. If you are not, you become just a business person, someone with just numbers who will fall behind in technology."

Pix by Sameera Wijesinghe

The Global Shop

