
Internship Report On:

Effectual Compliance Audit of Vendors Development



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Letter of Transmittal

April 16th, 2014

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Subject: Submission of Internship Report

Dear Sir,

This is my pleasure to present my internship report entitled “*Effectual Compliance Audit of Vendors Development*” The main purpose of this report was to learn the selection of suppliers of Grameenphone Ltd and gain a better outlook on the Supply Chain Sustainability practice of HSSE and local labor law. I have tried my level of best to cover the topic effectively, and I hope that this report meets your expected standard. This experience helped me immensely to develop my skills in Human Resource Management.

I am thankful to you for your guidance, suggestions and constructive criticism during the preparation of this report that only encouraged me further into excelling.

Please accept this report and oblige. I am eager to respond to any questions that you may have concerning this report.

Yours Sincerely,

Iftakhar- Ul- Alam

ID-10104090

BRAC Business School

Acknowledgement

At first I would like to thank my honorable internship supervisor from BRAC Business School (BBS); BRAC University; *Mohammad Rezaur Razzak* for providing me such an opportunity to prepare an Internship Report on “*Effectual Compliance Audit of Vendors Development*”

Without his helpful guidance, the completion of this project was unthinkable. I would like to place my gratitude to *Mr. Tamim Ahmed* (Specialist; Supply Chain Sustainability | Governance & Strategy | Global Sourcing | MD's Division) & *Mr. Muhammed Sajedul Islam Khan* (Specialist; Supply Chain Sustainability | Governance & Strategy | Global Sourcing | MD's Division) enable me to complete my internship in their esteemed organization.

During my preparation of the project work I have come to very supportive touch of different individuals (respondents from Grameenphone Ltd.) & friends who lend their ideas, time & caring guidance to amplify the report's contents. I want to convey my heartiest gratitude to them for their valuable responses.

Executive Summary

Grameenphone Ltd (*hereinafter referred to as "GP"*) is the leading telecom service provider in Bangladesh. It has better network with better services. Its wide coverage of network and flawless customer service makes it the pioneer. To reach this position the most important is the workforce of Grameenphone. The skilled workforce and their tremendous work make a difference with the telecommunication service provider companies. GP has come a long way with core Values: Make it Easy; Keep Promises; Be Inspiring and Be Respectful. Grameenphone always try maintaining their values in every step in their work and their Brand Promise Stay Close. The Sourcing Department of Grameenphone Create, Execute & retain HSSE culture in Grameenphone & value chain. Group policies Supply Chain Business Assurance, Supplier Conduct Principle, Supply Chain Business Assurance (Group & Local) are the policy of Sourcing department. Different experience GP HIT projects Experience, Service Excellence are the core experiences to lead towards the success. SCS Attitude of Team also make a tremendous change in the business operation.SCP Implementation Guideline, Inspection & Audit Guideline, HSSE Mgt. System Guideline are the guideline to the department towards this pioneer of HSSE and local law practice with the supplier. In 2010 to till now the team works hard to make it possible, this brings a change. Still there are difficulties but the value chain business assurance department is working flawlessly toward the vision for the better future.

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Name of the Company: Grameenphone Limited; Bangladesh

Head Office Location: GP HOUSE; Bashundhara, Baridhara, Dhaka-1229, Bangladesh.

Chapter I: Organization Part

1.1 Overview of the Company:

Grameenphone (GP) is the largest telecommunications service provider in Bangladesh. It's a Joint venture enterprise between Telenor (55.8%), the largest telecommunications service provider in Norway, and Grameen Telecom Corporation (34.2%), a non-profit sister concern of Grameen Bank. The other 10% shares belong to general retail and institutional investors. The company has the largest cellular network in the country with over 13,000 base stations in more than 7000 locations. Presently, nearly 99 percent of the country's population is within the coverage area of the Grameenphone Network. The Company received a license for cellular phone operation on November 28, 1996 and started its operations on March 26, 1997. At that time, cell phone was a luxury, and restricted only to the elites in urban areas. Grameenphone started its journey with the Village Phone program; a pioneering initiative to empower rural women of Bangladesh. The name Grameenphone translates to “Rural phone” in Bangla and this is symbolic of the intention behind the existence of Grameenphone.

Grameenphone has always been a pioneer in introducing new products and services in the local market. It was the first company to introduce GSM technology in Bangladesh when it launched its services in March 1997. It established the first 24-hour Call Center, introduced value-added services such as VMS, SMS, fax and data transmission services, international roaming service, WAP, SMS-based push-pull services, EDGE, personal ring back tone and many other products and services. The entire Grameenphone network is also EDGE/GPRS enabled, allowing access to high-speed Internet and data services from anywhere within the coverage area. Grameenphone is the leading and largest telecommunications service provider in Bangladesh with more than 47.64 million subscribers as of January 2014.

1.2 Brief profile of GP:

<i>The full name</i>	: Grameenphone Ltd.
<i>Head Office</i>	: Grameenphone Ltd. GPHOUSE, Basundhara, Baridhara, Dhaka-1229.
<i>Date of incorporation</i>	: November 28, 1996.
<i>Service Launched</i>	: March 26, 1997.
<i>Product & Services</i>	: More than 50 products, services, promotions and features, 1600 Customer service points and 82 GP Centers in all the divisional Cities.
<i>Employees</i>	: More than 5000 full and temporary employees, other 300,000 People are directly dependent on GP.
<i>No of divisions</i>	: 7
<i>No of Subscribers</i>	: 47.64 Million
<i>Shareholders</i>	: Telenor (55.8%), Grameen Telecom Corporation (34.2%), 10% Shares belong to general retail and institutional investors.

Mission:

Leading the industry and exceed customer expectations by providing the best wireless services, making life and business easier.

Vision:

We exist to help our customers get the full benefit of communications services in their daily lives. We want to make it easy for customers to get what they want, when they want it. We're here to help.

1.3 Values of Grameenphone Ltd:



- Make It Easy* - We're practical. We don't over complicate things. Everything we produce should be easy to understand and use. No waste. No jargon. Because we never forget we're trying to make customers' lives easier.

- Keep Promises* - Everything we set out to do should work, or if you don't get it, we're here to help. We're about delivery, not over promising actions not words.

- Be Inspiring*- We are creative. We strive to bring energy into the things we do. Everything we produce should look good, modern and fresh. We are passionate about our business and customers.

- Be Respectful* - We acknowledge and respect local cultures. We do not impose one formula worldwide. We want to be a part of local communities wherever we operate. We believe loyalty has to be earned.

1.4 Brand Promise: Go Beyond



The right and contemporary use of technology is the key to the progress of a nation. Keeping this in mind, Grameenphone always brings the future proof technology in order to facilitate your progress. The possibilities in this new world are immense and someone as bright as you should not be behind in anyway. At the end of the day, all the individual progresses accumulate to the progress of the beloved motherland.

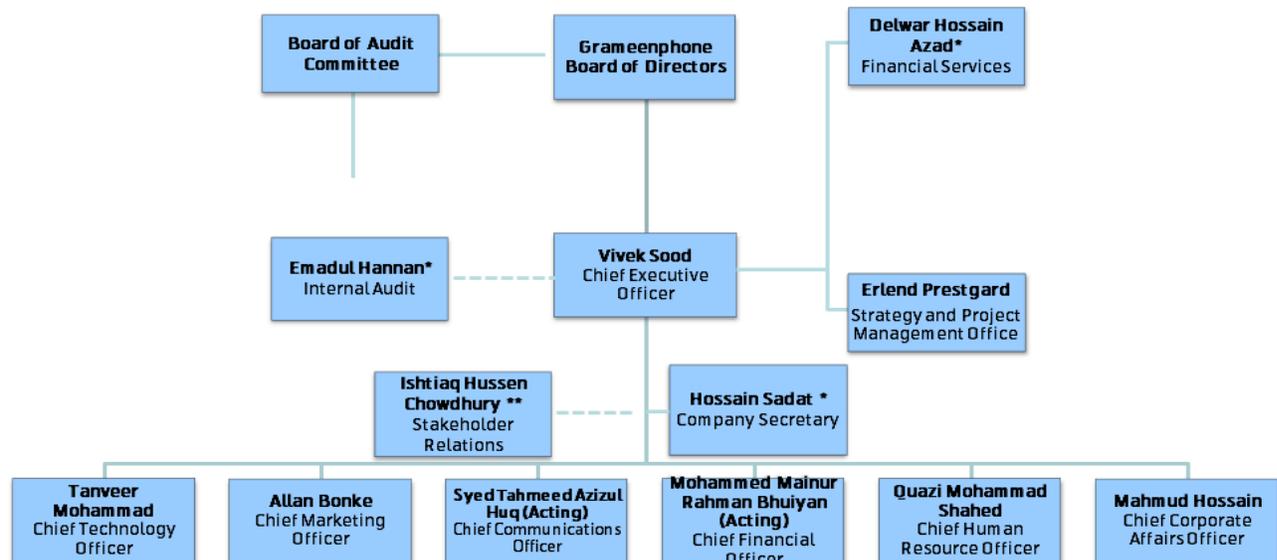
Grameenphone promises you to bring the best of communication technologies so that you can “Go Beyond”.

1.5 Objective & Strategy:

Grameenphone's basic strategy is coverage of both urban and rural areas. The Company has devised its strategies so that it earns healthy returns for its shareholders and at the same time, contributes to genuine development of the country. In short, it pursues a dual strategy of “Good Business, Good Development. Serving the mass market is one of GP's primary goals. By serving the general public as opposed to niche markets, the Company plans to achieve economies of scale and healthy profits. Grameenphone is doing high market segmentation as different product us being offered to each market segment. At the same time, service to the general public means connectivity to a wider population and general economic development of the country. In contrast to the island strategy followed by some companies, which involves connecting isolated islands of urban coverage through transmission links, Grameenphone builds continuous coverage, cell after cell. While the intensity of coverage may vary from area to area depending on market conditions, the basic strategy of cell-to-cell coverage is applied throughout Grameenphone’s network. In addition, GP has positioned itself to capitalize on the declining prices of handsets, making its goal to serve the general public realistic.

1.6 Functional Areas:

GP Organogram & Management



*Not a part of the Management Team

i. Commercial:

Commercial is one of the largest divisions in Grameenphone. It forms as the bridge flanked by Grameenphone and its customers. This division includes the following departments:

Marketing: Marketing is responsible for all types of Product development and launch, Branding and communication, International Roaming, Value Added Services and all types of Research activities. Its functions include understanding consumer preferences, development of communications, brand management, Campaign management, and management of communication channels.

Distribution and Retail Sales: DRS include GP centers all over Bangladesh, dealers and retail outlets. The responsibility of sales department is to sell the products services of Grameenphone. Therefore they have to work in close collaboration with Marketing Division for their success in selling. They also need to keep good relationship with the sellers and also

with customers. The responsibilities of the part or the distribution department includes instant delivery of products and services, maintaining relationship with dealers, serving the corporate clients with extra care, follow up existing subscribers and building relationship with new and existing subscribers.

Product Management Voice – It is responsible for product development and product life cycle management of Consumer Products, Business Products

Customer Services - The main objective of the Customer Service division is to be the best in class customer service in Asia to gain competitive advantage for Grameenphone in the market place. Its responsibility is to position itself as the most reliable, friendly and quality service provider in the industry to be perceived as the operator that provides segment based services beyond expectations.

Customer Experience – Grameenphone has established a Customer Experience Lab, which helps the company to gain valuable customer insight about its products and services. The lab is being used to check feasibility of ideas with potential customers early in the product development phase.

ii. Finance:

The finance department monitors and controls companywide finance and procurement activities. They prepare financial statements while complying with requirements of International Financial Reporting Standard, Bangladesh Accounting Standard and other related local legislations. Business Review is conducted to analyze risk exposure and Financial Review provides monthly results internally. They provide consultancy and support to all other departments, where applicable.

Treasury – This department is responsible for fund management cash rolling forecast, local payments and bank reconciliations.

Investor Relations – Investor Relations, as a specialized department, maintains contact with both local and international investors, analysts, market experts and financial community on a

proactive basis, which reflects GP's commitment towards developing the Capital Market of the country by introducing global best practices and ensuring transparency and accountability from the general investors' perspective.

iii. Managing Director Division:

Internal Audit- This department is responsible for monitoring the activities in the light of policies or procedures set by the Board of Directors and/or the Management Team. In addition, this unit has to follow the Group Internal Auditing Guideline as a part of subsidiary of Telenor Mobile. On the basis of reports of the Internal Auditor, actions are taken to bring about developments and rectifications of systems or policies and procedures. Internal Audit supports Grameenphone in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes.

Sourcing – This department conducts the procurement activities on behalf all other divisions and departments of Grameenphone. Its activities consist of local procurement, foreign procurement, invoicing, contract management and warehousing.

Wholesale Business - Wholesale Business focuses on two main products: BTS Infrastructure and Transmission Capacity. By means of its BTS infrastructure, Grameenphone is able to provide nationwide network coverage. Currently there are more than 13000 base stations in more than 7000 locations. The company is also continuously upgrading its base stations from 900 MHz to 1800 MHz, thus ensuring sound adherence to customer satisfaction. Transmission Capacity allows to transmit voice and data.

iv. Corporate Affairs:

Comprised of the Legal and Compliance department and Regulatory Affairs Department, Corporate Affairs is responsible for ensuring that Grameenphone is complying with the current legal obligations and requirements set by BTRC and other government bodies. It develops, maintains and implements company strategies, policies and procedures for its functional area. It monitors and controls Regulatory and Corporate Affairs activities and provides consultancy and

support to other business functions to align with legal requirements.

v. People & Organization:

This is responsible for all the HR functions of Grameenphone, such as HR planning, recruitment and selection, training and development, compensation, support and maintenance. There are various administrative functions under the scope of P&O. HSSE is another department, which is responsible for ensuring Grameenphone's appropriate systems are in place to mitigate risk in relation to health, safety, security and environment.

vi. Technology:

The functions of the Technology department are very crucial as it is involved providing the core product of Grameenphone.

Implementation – This department is responsible for the construction and acquisition of base station room, antenna pipe, and power supply, installation of new base station hardware, start-up and pilot operation of base station.

Operations - Operations department is responsible for smooth operations and maintenance of the network. Their main tasks are operation, maintenance and overall management of the networks, fault detection and fault handling of networks. This department always closely monitors the network performance.

Planning, Design and Dimensioning - People in planning department are responsible for planning the network and equipment, taking decision about new expansion, enhancement and up-gradation and closely monitoring network performance. They are also engaged with BSC (Base Station Controller) and MSC (Mobile Switch center) related planning, timely supply of equipment, making roaming agreements with other countries and negotiating with home owners for building base stations on the roofs. This department has three parts: switch planning, radio planning and transmission planning.

vii. GPIT:

Located inside GPHouse, this is a fully owned subsidiary of Grameenphone which provides complete managed services to GP. It also provides IT solutions to other industries like banks, financial institutes, FMCG, and pharmaceutical companies. For Grameenphone, GPIT provides an overall IT architecture and business process framework. This department is responsible for development, integration and maintenance of business critical systems.

1.7 About Sourcing Department

Sourcing is responsible for all the procurements of Grameenphone on behalf of all its divisions. The key steps involved in Contract process in Sourcing are described as follows:

Need identification - Firstly, a need of procurement is identified by a user department. A user department can be any department which identifies a purchase requirement and also has the budget responsibility for the purchase made. After a need is identified, it needs to be checked whether there are agreements or contracts for the type of Product/ Service.

Sourcing strategy – This is the main driver of entire contracting process and all subsequent processes will depend on this. Sourcing strategy includes market analysis, short listing of users, potential value, sourcing period, payment terms and conditions, penalties for delay, guarantees, obligations termination criteria, etc. Total Cost of Ownership or TCO estimation is also done at this stage.

RfQ (Request for Quote) floating and Receipt – In this stage, an Invitation to Sourcing is prepared and floated to shortlisted users. Invitation to sourcing consists of scope of work, draft contract and sourcing package. Users are given a date for bid submission and details on how to submit their bid.

Bid evaluation – After the bids are received, the bids are evaluated according to the preset technical and commercial evaluation criteria. At first the bids undergo technical evaluation,

meaning that these bids have to qualify the technical criteria and Health Safety Security and Environment & Business Assurance standards (HSSE & SCS). Bids that qualify the technical criteria are then evaluated against the commercial criteria. According to commercial criteria, bids having the lowest Total Cost of Ownership are selected.

Negotiation – If required, Negotiation is conducted with Potential users. When making the negotiation plan, detailed assessment of strengths and weaknesses of Grameenphone and User, the respective issues and positions, TCO parameters and objectives need to be done.

Awarding & Contract Management – After a user is selected based on bid evaluation or subsequent negotiation; the user can be recommended for award of contract and then awarded the contract.

After awarding, User is responsible for ensuring correct ordering under the Contract, managing work execution, and evaluating quality of work delivery and performance. Lastly, Sourcing executes a Purchase Order to Payment process.

Contract Closure – This phase is needed for contracts worth more than BDT 1 million. Close out process certifies assessment of user's work performance, and settles all claims and Payment.

1.8 Industry Life Cycle

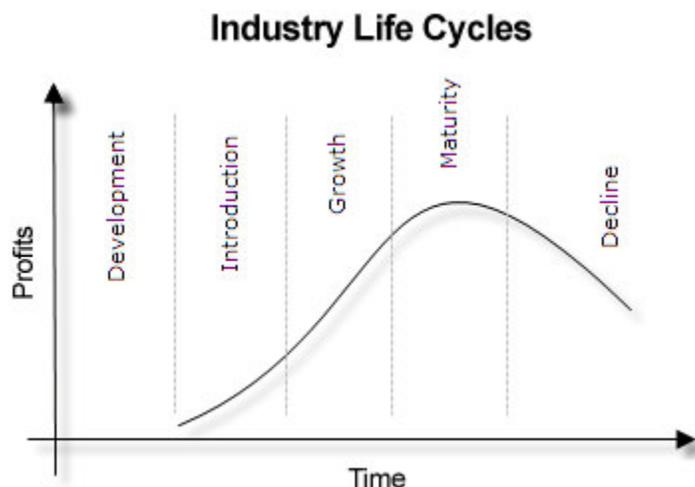


Figure: Industry Life Cycle

Grameenphone operates as a mobile phone operator service provider in the telecommunications industry of Bangladesh. The mobile telecommunication industry comprises of six firms including Grameenphone namely, Robi, Banglalink, Citicell, Airtel and Teletalk.

Currently the mobile telecom industry is in the mid-growth phase. The industry is characterized by high competition among the six firms. There were high price wars that brought down call charges over the recent years until the regulator fixed a minimum rate of Tk 0.25 per minute excluding VAT. For the industry as a whole, the number of subscriber is increasing at a high rate. The revenues and profits for the industry are also very attractive.

The firms are making investments in order to expand their operations by setting up more distribution and retail outlets. We can find sufficient measures for product differentiation and the promotions and campaigns stress on the brand differentiation. The market penetration rate is still low at about 40% indicating there is a lot of scope for increasing the number of subscribers.

1.9 Porter's 5 forces:

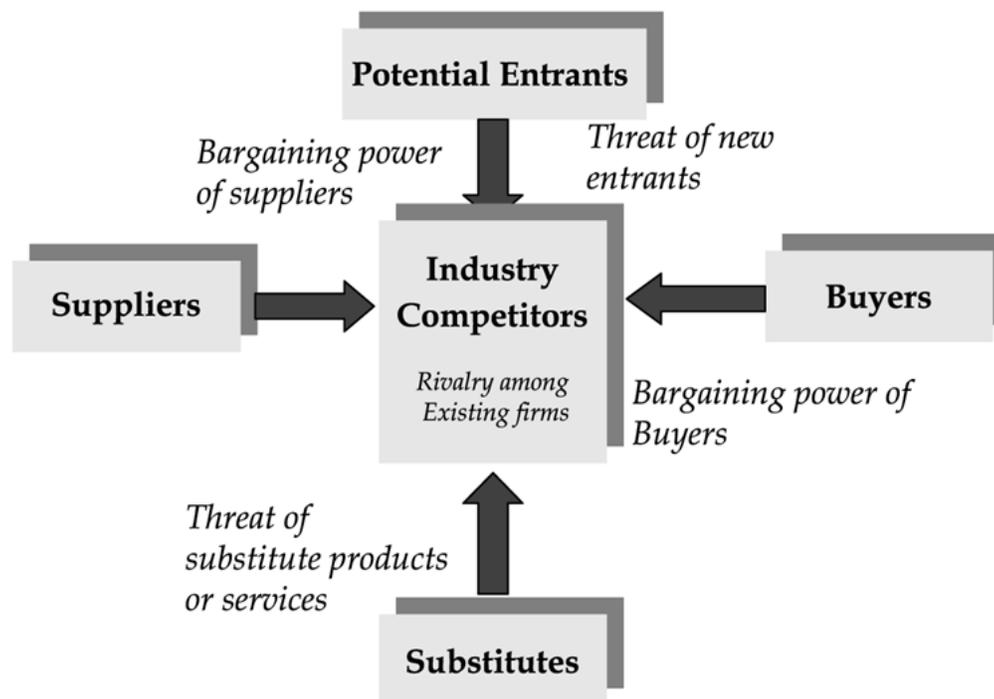


Figure of: Porter's 5 forces affecting Grameenphone

Bargaining Power of Suppliers: Grameenphone has strong bargaining power with their suppliers due to a number of reasons. Firstly, there are many suppliers available locally and globally for most of the procurements of Grameenphone. Most of the suppliers are small and fragmented. As a large company, Grameenphone has a high bargaining power.

Grameenphone is also involved in passive infrastructure sharing with other mobile operators and WIMAX operators implying that the company can have stronger bargaining power with suppliers. Moreover, Telenor is looking forward to creating a global platform for its many of the sourcing activities of the Group and its subsidiaries like Grameenphone. This will further strengthen the bargaining power of Grameenphone.

Bargaining power of Customers: The bargaining power of customers is moderately high.

Since there are millions of subscribers, the customers do not have supreme bargaining power. However, the cheap prices of SIM cards make it easy for customers to switch from one brand to another. Many subscribers have multiple SIM cards meaning that the subscribers tend to change their use of SIM cards depending on attractive offers and call rates offered by each company. On the other hand, SIM card has its own switching cost because the number exists with all contacts of subscribers and special packages like Friends & Family, Apon, Bondhu, Sohoj make it difficult to migrate to another operator. This switching cost will reduce if Mobile Number Portability is introduced in Bangladesh.

Threat of New Entrant: The threat of new entrant is moderately low. This is because it is a very capital intensive industry and the infrastructure costs are very high. Another entry barrier is that a lot of cash is required for the high license fees charged by BTRC. Mobile operators also need solid operating skills, technical expertise and managerial experience. These entry barriers make it very complicated for potential firms to enter the market. However, there are telecom giants like Vodafone, Docomo operating in neighboring country India. These companies have all the necessary resources, so there is a threat that these companies might enter the Bangladesh telecom industry.

Threat of Substitutes: Grameenphone offers telecom services using 3G & GSM technology. An important substitute of 3G & GSM technology is CDMA technology employed by competitor Citicell. With regard to technology, CDMA is able to offer better voice and data quality, but it has not gained much popularity in Bangladesh because of poor market positioning. Currently, the market for CDMA is very limited as range of cell phones supporting CDMA technology is restricted. Another substitute of GSM technology is the land line phones, also known as TNT phones. However, due to poor infrastructure and lack of mobility, landline phones have declined in popularity.

Emails and social networking websites like Facebook and Twitter are more recent substitutes of mobile phone services, as people can communicate online. Internet telephony is emerging to be a serious substitute of 3G & GSM service. With the advent of VOIP, people can now do video

conferencing, make calls and send instant messaging using applications like Yahoo messenger, GTalk and Windows Live Messenger. These applications offer free PC to PC calls and very cheap rates for calling to mobile phones in different countries. Thus, for Grameenphone, threat of substitute products and technologies are high.

Rivalry among Existing Competitors: The mobile telecom industry has an oligopolistic structure as there are six firms controlling the entire market share. Ever since Banglalink and Teletalk entered into the market, there has been price wars that brought down price of SIM cards as well as call charges. In 2007, the regulator BTRC set rules that prohibited operators to charge below Tk 0.25 and above Tk 2. Since call rates cannot go any lower, the firms are now competing on other areas such as free SMS, free minutes, exclusive benefits for high usage like STAR subscribers and other attractive offers. Besides, the firms in this industry are characterized by high fixed costs and excess production capacity. Thus, firms try to use their excess capacity to cover costs and this intensifies industry rivalry. As a result, the rivalry among existing firms in the industry is very high.

1.10 PESTEL Analysis:

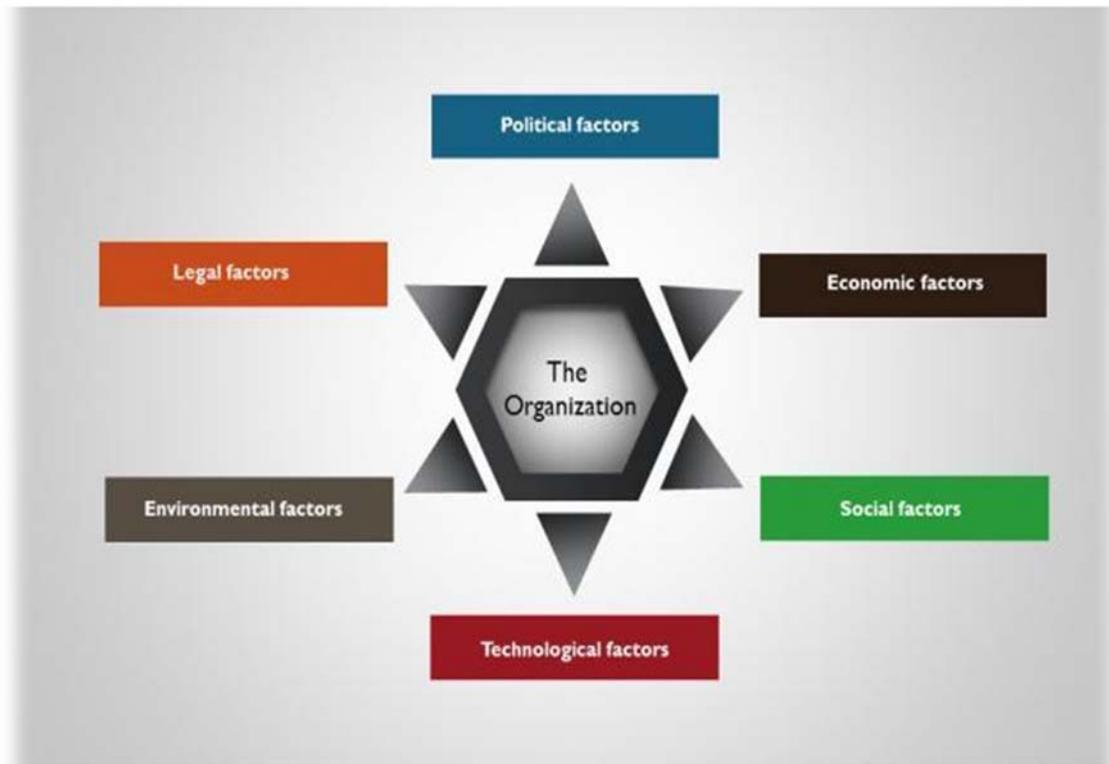


Figure of PESTEL Analysis

Political – The political environment in Bangladesh has mixed signals for firms like Grameenphone. On one hand, the present ruling party has the aim of building a Digital Bangladesh by 2021, indicating a bright outlook for telecom sector. On the other hand, political instability continues to threaten business continuity in Bangladesh, particularly that of MNCs. In general the government is trying to take advantage of the profitable telecom industry. It is increasing the amount of taxes and charging more for licensing fees, which is squeezing profits of the telecom industry.

Economic – The per capita GDP of Bangladesh has increased over the years and the percentage of middle income and upper level income as part of population has expanded. However, Bangladesh has been facing severe economic pressure due to high inflation affecting people's standard of living. Cost pressure from all sectors of the economy is making it very difficult to contain business expenditures. The Bangladeshi currency has devaluated a lot, causing high exchange rate loss to MNC's like Telenor.

Social – The social landscape of Bangladesh has been changing in favor of the telecom sector. People are now increasingly using mobile handset and modem to access internet and other data services taking advantage of all the new products and services being offered by the operators. Around 90% of total internet users are now accessing internet through mobile network and mobile internet would continue its dominance with the planned introduction of 3G in 2012. Worldwide proliferation of modem handsets, smart phones, tablets and computers is positively influencing the adoption of such devices among customers in Bangladesh. People are now using mobile phones for banking, purchasing railway tickets and various other purposes expanding their use and making them more versatile.

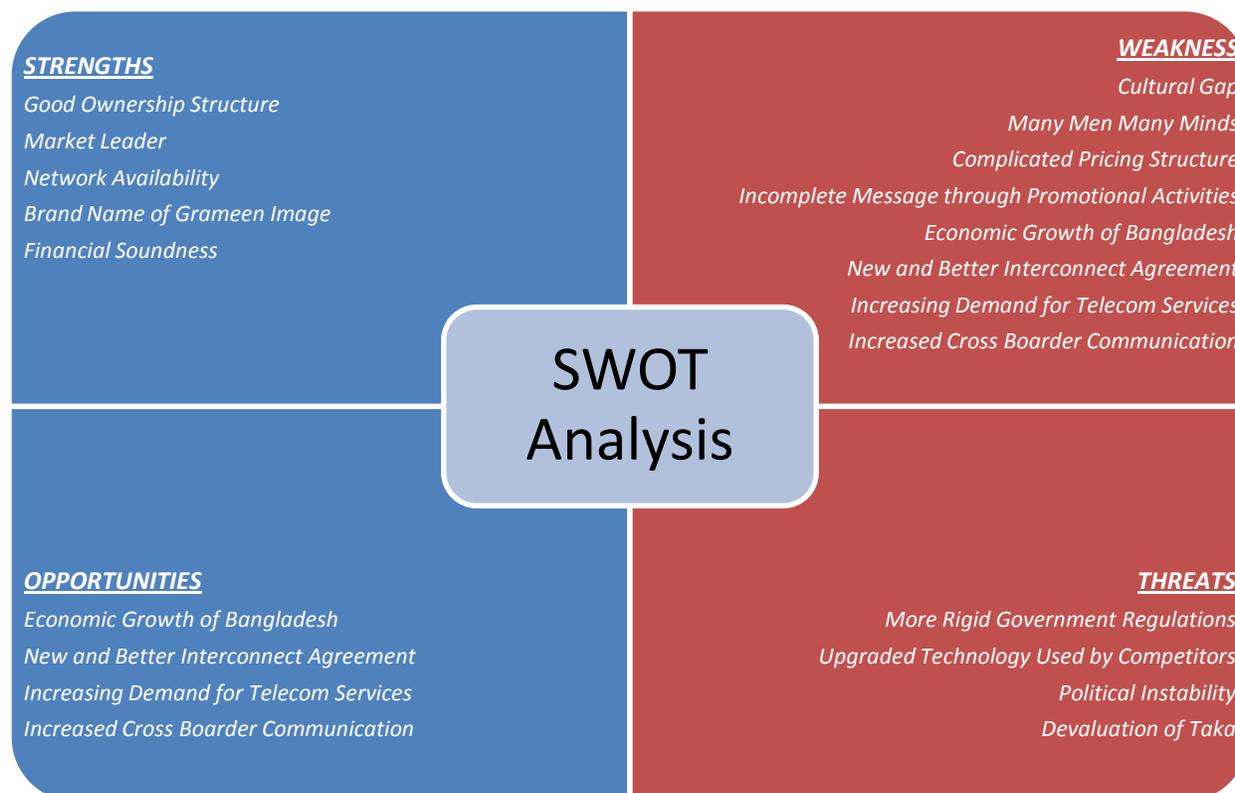
Technology – Telecommunications industry is one that has serious impacts of new technologies that are being developed. On one front, improvements in mobile phone technology and investments by telecom operators on network up gradation are improving voice and data quality and enhancing customer satisfaction. The introduction of 3G technology is expected to give another boost to the telecommunication industry. As various applications and software are being developed for mobile phones, it is aiding the telecom industry. On the other hand, substitute technologies like WIMAX, instant messaging and VOIP such as Skype are threatening the use of mobile phones.

Environment – There is a general need of shifting toward low carbon operation, practicing green standards. Even though environmental laws are not as strict in Bangladesh as in other countries that Telenor operates, Grameenphone tries to abide by the standards set by Telenor with regard to environment. GP's first priority is to take responsibility for the excess CO2 emissions generated by its own operations. GP has set a target of reducing 40% carbon emission (CO2)

within 2015 from the business as usual situation considering 2008 as the baseline. GP initiated ‘Building a Greener Network’ initiative back in 2007 to transform GP’s Network and Office Building to an environment friendly & energy efficient solution, and to reduce carbon emissions by saving energy and fuel consumptions. Besides, GP House – the green office building is saving yearly 60% energy comparing to the traditional building system.

Legal - The regulator, BTRC is increasing the extent of monetary fines and other punishments for any offence of non-compliance. Besides, another regulator, Competition Commission is on its way of being established, which will make things difficult for dominant market player like Grameenphone. In 2011, BTRC came up with a number of new terms and conditions for the renewal but some of which were not rational. The Market Competition Factor (MCF) introduced for asymmetric spectrum pricing was not following any industry best practices and was against the level playing field. BTRC also triggered the audit of Telecom operators starting with only GP and Banglalink, but discontinued with Banglalink within few weeks. This audit was performed only on Grameenphone, and huge fine was demanded, for which Grameenphone got into legal battle with regulator.

1.11 SWOT Analysis of Grameenphone Ltd.



STRENGTHS

✓ *Good Ownership Structure:*

Grameenphone has the best ownership structure in the telecommunication industry in Bangladesh. Telenor is one of the largest companies, which is operating in different countries around the world. Again, in Bangladesh, Grameen Bank is one of the largest NGO, which has the sound communication all over the country. It is a joint venture enterprise between Telenor (55.8%), the largest telecommunications service provider in Norway with mobile phone operations in 12 other countries, and Grameen Telecom Corporation (34.2%), a non-profit sister concern of the internationally acclaimed micro-credit pioneer Grameen Bank. The other 10% shares belong to general retail and institutional investors.

✓ *Market Leader:*

Grameenphone is the first organization in Bangladesh, which has reached to the general people. Though City cell had started their operation beforehand, but they were unable to reach the general people. So, the people are being used to with Grameenphone. This is a huge advantage of Grameenphone.

✓ *Network Availability:*

Grameenphone has the widest network coverage and a large number of BTS station (Tower) all over Bangladesh. That's why the company can provide better connectivity in most of the area of the country.

✓ *Brand Name of Grameen Image:*

Grameen Bank is well known all over the country because of its appreciable activities in financial sector for poor people in Bangladesh. So, when the name Grameen has been added with this telephone company, the organization gets a huge exposure due to this Grameen image.

✓ *Financial Soundness:*

Because of effective strategic planning, Grameenphone is able to earn a healthy amount of revenue, which gives them financial soundness.

WEAKNESSES

✓ *Cultural Gap:*

In Grameenphone management, employees from different countries are existed. Suppose, CEO is a Norwegian, Chief Technical Officer is Indian and many more employees come from different countries. That's why sometimes there may be lack of understanding due to cultural gap.

✓ *Many Men Many Minds:*

Sometimes different ideas may create problem. In Grameenphone, this is highly encouraged to apply new strategy for better performance. Sometimes, it may create problem because employees are used to with previous strategy.

✓ *Complicated Pricing Structure:*

Grameenphone has lots of products. The pricing of these products and their billing policies are different which also difficult for a user to understand.

✓ *Incomplete Message through Promotional Activities:*

Most of the time advertisements of Grameenphone have no clear appropriate messages for the consumers. Not only that, most of them are also so confusing to understand. As a result, subscribers get the wrong meaning of what has been said to them.

OPPORTUNITIES

✓ *Economic Growth of Bangladesh:*

The economic growth of the country will increase the expansion of telecommunication industry. From 1995 to 2006, there is huge change in telecommunication sector.

✓ *New and Better Interconnect Agreement:*

Grameenphone is going to have agreement with T&T to have better communication from land phone. The organization has agreements with other operators like Robi, Citycell, and Banglalink to have better internal connectivity.

✓ *Increasing Demand for Telecom Services:*

The market of telecommunication is expanding. So, this is easy for Grameenphone to achieve the major portion of expanded market because of its leading position.

✓ *Increased Cross Boarder Communication:*

As international activities increased in the country, people need the connectivity not only within the country, but also outside of the country. So, the market for outside of the country is also expanding.

THREATS

✓ *More Rigid Government Regulations:*

Government is becoming restricted for taking away currency from the country. So, foreign companies are threatened because they may have risk to back their investment to the country. The government also put restriction for work permit of foreign employees

✓ *Upgraded Technology Used by Competitors:*

New mobile phone operators like Banglalink, Airtel are establishing their channels with latest technology, whereas Grameen Phone is using the stations which are five years old. So, this is one of the disadvantages for Grameenphone.

✓ *Political Instability:*

Political instability is another threat. With the change of Government, policies are also changed. So, this is difficult for any multinational organization to cope with new policies.

✓ *Devaluation of Taka:*

As the investment occurs in foreign currency, that's why the devaluation of Taka decreases profit from financial point of view.

Chapter II: Job Part

2.1 Job Responsibility's at Grameenphone Ltd.

- ✓ Conduct audit more than 70 vendors of Grameenphone Ltd.
- ✓ Conduct Supply Chain Sustainability report of the vendors to evaluate the compliance & non-compliance upshot.
- ✓ Identify risks and manage of the vendors of Grameenphone Ltd.
- ✓ Produce reports highlighting issues and providing potential solutions for the vendors.
- ✓ Active engagement with supervisor *Mr. Tamim Ahmed* (Specialist; Supply Chain Sustainability | Governance & Strategy | Global Sourcing | MD's Division) & *Mr. Muhammed Sajedul Islam Khan* (Specialist; Supply Chain Sustainability | Governance & Strategy | Global Sourcing | MD's Division) to gain a good understanding of the business.
- ✓ Ensure compliance with internal (audit tactic and risk supervision) and external (regulatory) requirements
- ✓ Assist in managing training session for cross-functional division with *Mr. Muhammed Sajedul Islam Khan* (Specialist; Supply Chain Sustainability | Governance & Strategy | Global Sourcing | MD's Division)

2.2 Specific responsibilities of the job:

Internship Responsibilities:

The author worked in the Business assurance team under the supervision of Mr. Tamim Ahmed, Specialist; G&S; Finance Division; Grameenphone Ltd. The Specific responsibilities of the author are described below-

- ✓ *Supplier's database update:* Updating the supplier's database on MS-Excel. Updating on self-Assessment Questionnaire (SAQ) participation list, ABC contract signing, participated list of the suppliers on the awareness program. Also the database of invited number of suppliers and accepted number of suppliers.
- ✓ *Prepare report based on field visit:* Field visit or audit on the supplier's premises with BA team and monitor the audit process. Finally prepare report Using Ms Word of the audit on the basis of the actual scenario of the supplier's premises on health, safety, security and environment and labor law, child labor condition. The report prepared to send it to the Supply Chain Management.
- ✓ *Communication and liaison with suppliers (phone, e-mail):* Communicating the suppliers regarding different information collection, Like- if they don't send any documents in due time author inform them and mentioned time of sending. Invitation for different awareness program.
- ✓ *Survey result sharing via e-mail:* SAQ result and ABC contract related documents needed to share with suppliers. Author does send those with the suppliers using official mail ID and also answers replied supplier e-mail of different quarries.
- ✓ *Assist Suppliers training and awareness program:* Awareness program arrangement. Receiving the guests and properly guided them in Grameenphone premise. Assisting the program with the team.
- ✓ *Write-up on different events organized by HSSE and BA dept.:* As Grameenphone arrange awareness program according to Telenor requirements, the official website of Telenor used to share the write up on those events. The author writes structured detail of different program and put pictures. Finally write up checked by the BA team and uploaded in to website of Telenor group and shared to the all subs of Telenor.

2.3 OBSERVATION AND RECOMMENDATIONS:

After working with HSSE and Sourcing department my observations are-

- A. Occupational Health & Safety
- B. General Human Rights and Labor practices
- C. Working environment
- D. External environment
- E. Employee Security

As The Department is working with not very much well-known and hardly accepted fact like health, safety, security and labor law related activities. They already have sated different plans and gradually putting them into action. The department is growing towards their vision. As HSSE issues do not have practical practice in our country, the author hasn't enough knowledge to recommend. The Author would like to put 2 recommendations which can help the organization to implement the laws into practice-

1. Try to create a force by the govt. to maintain the labor laws and health, safety within the business.
2. Needed to promote the issues on labor law and HSSE like CSR activities, so that people get to know. When people will get the positive promotions it will motivate them to practice those laws.

Chapter III: Project Part

3.1 Vendor Compliance Standard policy of Grameenphone

1. Relationship with National Law

In addition to complying with the provisions of these Supplier Conduct Principles (hereinafter “the Principles”) the Supplier shall comply with applicable local laws. Where the provisions of applicable local laws and the Principles address the same subject, and are not in conflict, the highest standard shall be applied. Should any of the requirements in the Principles conflict with applicable local laws in the sense that it would represent a breach of applicable local laws & if the Principles were applied, the highest standards consistent with applicable local laws shall be applied.

2 Human rights

The Supplier shall respect internationally proclaimed human rights, and shall avoid being complicit in human rights abuses of any kind. The Supplier shall respect the personal dignity, privacy and rights of each individual.

3 Labour standards

3.1 Freedom of Association and the Right to Collective Bargaining

The Supplier shall ensure and recognize the right of free association and, where a significant proportion of the workforce agree, collective bargaining of employees and/or workers (employees and/or workers hereinafter to be collectively referred to as “Worker/Workers”).

Supplier shall not discriminate against Worker’s representatives or members of trade unions, which shall also have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining are restricted under national law, the Supplier shall allow Workers to freely elect their own representatives.

3.2 Forced Labour

The Supplier shall not use forced or compulsory labour, including, but not limited to, debt bonded labour. The Supplier shall ensure that the work relationship between the Worker and the Supplier is freely chosen and free from threats.

The Supplier shall ensure that all Workers shall be free to leave their employment/work after giving reasonable notice. Workers shall not be required to lodge deposits of money, identity papers or similar in order to get or keep their employment/work.

3.3 Child Labour

The Supplier shall not employ or use child labour. In these Principles “child” means anyone under 15 years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply. “Child labour” means any work by child or young person unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C 138).

If any child is found working at the premises of the Supplier, it shall immediately take steps to redress the situation in accordance with the best interests of the child. The Supplier shall secure that persons under the age of 18 do not perform any hazardous work. In these Principles ‘hazardous work’ means work which exposes children to physical, psychological or sexual abuse; work underground, under water, at dangerous heights, in confined spaces; work with dangerous machinery, equipment and tools, or which involves the handling or transport of heavy loads; exposure to hazardous substances, agents or processes, temperatures, noise levels or vibrations; particularly difficult conditions such as work for long hours or at night or where the child is unreasonably confined to the premises of the Supplier.

3.4 Non-Discrimination

The Supplier shall prohibit direct or indirect negative discrimination based on race, color, sex, sexual orientation, language, religion, political or other opinion, national or social origin, property, birth or other status, and shall promote equality of opportunity or treatment in employment and occupation.

The Supplier shall prohibit and refuse to tolerate, and not confer upon its Workers, any unacceptable or degrading treatment, including mental cruelty, sexual harassment or discrimination gestures, language or physical contact, that is sexual, coercive, threatening, abusive or exploitative.

3.5 Employment Conditions

The Supplier shall provide remuneration that meets any national legal standard on minimum wage. The basis on which Workers are being paid is to be clearly conveyed to them in a timely manner.

The Supplier shall secure that working hours are not excessive and as a minimum comply with applicable local laws.

The Supplier shall respect the individual Worker's need for recovery and secure that all Workers have the right to adequate leave from work with pay.

The Supplier shall secure that all Workers are provided with written agreements of employment setting out employment conditions in a language understandable to the Worker.

4 Health and Safety

The Supplier shall secure that the Workers are provided with a healthy and safe working environment in accordance with internationally recognized standards.

The Supplier shall do its utmost to control hazards and take necessary precautionary measures against accidents and occupational diseases. Whenever necessary Workers are to be provided with, and instructed to use, appropriate personal protective equipment.

The Supplier shall provide adequate and regular training to ensure that Workers are adequately educated on health and safety issues.

The Supplier shall secure that, where it provides accommodation, it shall be clean, safe and meet the basic needs of the Workers, and, where appropriate, for their families.

5 Environment

The Supplier shall take a precautionary approach towards environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

The Supplier shall act in accordance with relevant local and internationally recognized environmental standards.

The Supplier shall minimize its environmental impact and continuously improve its environmental performance.

6 Prohibited Business Practices

6.1 Corruption and other Prohibited Business Practices

The Supplier shall comply with applicable laws and regulations concerning bribery, corruption, fraud and any other prohibited business practices. The Supplier shall not offer, promise or give any undue advantage, favor or incentive to any public official, international organization or any other third party. This applies regardless of whether the undue advantage is offered directly or through an intermediary.

6.2 Gifts, Hospitality and Expenses (Business Courtesies)

The Supplier shall not, directly or indirectly, offer gifts to [Telenor] employees or representatives or anyone closely related to these, unless the gift is of modest value. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits. Travel expenses for the individual representing [Telenor] shall be paid by [Telenor]. Hospitality, expenses or gifts shall not be offered or received in situations of contract negotiation, bidding or award.

6.3 Money Laundering

The Supplier shall be firmly opposed to all forms of money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

6.4 Competition

The Supplier shall under no circumstances cause or be part of any breach of general or special competition regulations, such as illegal cooperation on pricing, illegal market sharing or any other behavior that is in breach of relevant competition laws.

3.2 The criteria for choosing suppliers

The criteria for choosing suppliers critical and non critical are shown in the follow chart. According to these issues suppliers are categorized. The criteria are selected by Telenor group. Critical Suppliers are Direct Suppliers that are of significant importance in provisioning services and/or products towards Telenor and, subject to HSSE/SCS risk based pre- selection by the Business Unit, are assessed to have a high risk for breach of Telenor Supplier Conduct Principles in its supply chain.

1. *Chance of SCP Clause Violation* – There are number of big and reputed companies local or multinational those who operate business responsibly those are non-critical suppliers. There are more suppliers in our country doesn't maintain local laws and violate SCP clause those are critical suppliers.
2. *Type of Operation*- If suppliers is directly supply product without customization to Grameenphone those are non critical suppliers. If Grameenphone includes extra features to the product not the general one than the suppliers become critical.
3. *Grameenphone/Telenor Exposure*- If there is any customization in the product or Grameenphone/ Telenor brand name exposed through the product than it been categorized as Critical suppliers. If there is no brand expose through the product than the supplier is non-critical.
4. *Sub Suppliers Risk Involvement*- Grameenphone required lower rate of sub suppliers to keep control over the suppliers. Those suppliers have lower number of sub suppliers are non-critical and those have more sub suppliers are categorized critical suppliers.

5. *Practicality and/or feasibility of HSSE follow up activities*- If the company is not locally operating and is not feasible to check or visit the practical scenario of health, safety, security and environment issues. In that case the supplier will be defined as non critical.
6. *Suppliers Business involvement*- If the supplier is related to the core business product than the supplier will be critical. If the supplier involve with the others product not related to core business than the suppliers will defined as non critical.

RFQ= Request for quotation.

The RFQ process done by the involvement of line function I triangle way. Here the HSSE Business assurance responsible, Sourcing responsible and User responsible. To this there sector RFQ result has been shared and decision also made for suppliers selection.

ABC = Agreement on responsible Business Conduct.

The ABC includes:

- ✓ A commitment to the SCP and a willingness to conduct business in accordance with the SCP from Suppliers
- ✓ A process requirement on how the Business Unit and the Suppliers work together on monitoring business conduct in the Supply chain.
- ✓ The ABC shall always include the SCP as an attachment.

SCP = Suppliers Conduct Principle

The SCP specifies conduct requirements for Telenor Supply chain and all BU must secure that an ABC is contractually binding upon the Suppliers.

SAQ: The Self-Assessment Questionnaire

The Self-Assessment Questionnaire (SAQ) is conducted by Telenor in every year to understand how GP's suppliers are handling issues related to HSSE, (Health, Safety, Security and Environment) & Local Laws.

3.3 The process follows to select suppliers

i. The RFQ includes

- ✓ In case of new suppliers who are initially send the mail for supplier' s request.
- ✓ Among the initial selected suppliers BA team go for audit to check the working condition, environment and practice of law.
- ✓ After RFQ audit Business Assurance send report to the Supply chain department.
- ✓ Finally SCM choose the supplier and send them to VCBA department for signing ABC contract.

ii. ABC Implementation

- ✓ *Signing-* ABC is the Agreement on suppliers labor law compliance which every suppliers of Grameenphone have to sigh to conduct business with Grameenphone.
- ✓ *Follow up-* After sending the Agreement there is page on the last of the ABC agreement which indicates the area of development of the supplier. Where they put which area is not complaint with Grameenphone requirements and put a deadline to recover it. Grameenphone value chain follow up that date and have visit to see the improvement.

iii. SAQ Process Operation

- ✓ *Survey-* Survey the suppliers with the self-assessment questionnaire. The questionnaire sends to the suppliers via mail, they answer the questions and send back via e-mail. That's how the survey result collected. Every year its conducted.

- ✓ *Result compilation*- After getting the result Grameenphone Value Chain compile those result for further communication.
- ✓ *Communication & follow up* – Finally Grameenphone communicate with the suppliers those who meet requirements and give deadline for improvement if any. According to the Deadline they follow up.

iv. *Easy Risk Operation*

- ✓ *Data entry*- the information of the suppliers needs to update in the Telenor structured format which is called easy risk operations.
- ✓ *Compile risks*- Compile the risk area of the suppliers on incompliant with labor law or health, safety.
- ✓ *Risk mitigation & change risk level*- Within given deadline those suppliers improved the risk of nonconformities those risk are closed and the level of risk changer is database.

v. *Suppliers Development*

- ✓ *Preparing training modules*- Grameenphone prepare different modules of training for suppliers.
- ✓ *Conduct training & awareness*- Conduct awareness program and training as the issues are not well practiced.
- ✓ *Ensure vendors training & awareness culture*- Training not only in Grameenphone but also ensure training is conducting in the suppliers premises also.

4. Result & Discussions

Fact the Department faces to work in a Country like Bangladesh with lower literacy.

- ✓ Lower concept and understanding on HSSE and safety standards.
- ✓ Lower regard for HSSE and labor law compliance.
- ✓ Lack of appropriate guidance for standard setting and maintenance
- ✓ As part of country culture, in some cases child labor is employed.

Proper guidance, monitoring and management system can make a difference.

- ✓ Suppliers have shown keen interest to change and comply
- ✓ Suppliers have improved their perception towards safe working condition and SR issues.
- ✓ Expenditure on safety has been taken as investment rather than burden and they have shown inclination to invest on Safety and Human capital.
- ✓ They have taken the change as an opportunity for exploring their business to be emerged as internationally compliant and competent in terms of HSSE and SR.

5. Conclusion:

As Grameenphone has taken the pioneer responsibility towards demonstrate excellent working conditions and environmental management the company is facing so many difficulties to establish the fact. SCS focus and efforts in accordance with international references & the company with so many difficulties still gaining-Require HSSE business conduct from suppliers, Make a difference in the local market and build a competitive edge. Undoubtedly, the best in HSSE & SCS practice with implementation in the industry. National acknowledgment of pioneer of HSSE practices also coverage and acknowledgment of a green company. Tangible change of attitude towards suppliers to secure acceptable workplace as per law of land & international standards workplace for our partners in all around the country Finally Acknowledged as the benchmark of Supply Chain Sustainability practice among Telenor Bus(business units). The aim for the SCS team is Suppliers may have non-conformities...But overcoming them is only a matter of triggering the right areas, and ensuring the sustainability.

6. References

- ✓ <http://www.grameenphone.com/about-us>>
- ✓ <http://www.grameenphone.com/about-us/corporate-information/our-brand>
- ✓ <http://www.grameenphone.com/products-and-services/packages>
- ✓ <http://www.grameenphone.com/products-and-services/internet/internet-packages>>
- ✓ <http://asq.org/learn-about-quality/supplier-quality/overview/tutorial.html>
- ✓ http://www.suppliersmanual.co.uk/index.php/Tender_Evaluation_%E2%80%93_The_Legal_Issues

*** *Thank You* ***