Internship Report  
On  
Comparative Analysis between Before & After Merger  
Of  
Robi Axiata Limited

Submitted to:  
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Letter of Transmittal

June 12, 2014

Mr. Riyashad Ahmed
Assistant Professor
BRAC Business School
BRAC University

Subject: Submission of Report of Internship Spring 2014

Dear Sir,

With due respect, I would like to submit the “Internship Report” for your kind inspection.

This report is a summary and analysis of three months of internship experience in Robi Axiata Limited. The topic of this report is “Comparative analysis between before and after the merger”. To carry out the report, I have gathered various papers/document periodicals etc. from my line manager as well as from internet for the purpose of secondary data. I have practically worked and observed their working pattern, management and other company activities, in order to earn experience about the corporate environment. On the basis of these secondary data and practical observation, I have prepared the report later.

Hence, I hope that you would be kind enough to accept this report for analysis.

Thanking you.

Sincerely yours,

Mouli Rehnuma
ID: 10104082
BRAC Business School
BRAC University
Acknowledgement

In preparing the report on, “Comparative analysis between before and after the merger”, firstly I express my gratitude to my academic supervisor Mr. Riyashad Ahmed, without his kind direction and proper guidance this study would have been a failure. In every phase, from topic selection to data collection and data analysis, his supervision has shaped this research paper.

I want to thank my Supervisor Fahad Mahmud (General Manager, Supply Chain Management) who welcomed me into the beautiful corporate world of Robi Axiata Limited, who gave me the opportunity to have an excellent and enduring practical working experience, to go out of my comfort zone and learn to be more creative, challenging and confident.

I also want to thank Mr. Avijit Bhowmik, Rezwanul Karim, Monjur Nahid of the “Collaboration Management” team who provided me with all the necessary information, guidance and support that I required in making this report. They also made sure that I have a great working experience in Robi Axiata Limited by delegating me business tasks which I know would serve me extremely well in the foreseeable future. Moreover, they provided me with their support, knowledge, guidance and delegation of tasks which would also serve as a very fruitful experience.

Lastly, I would thank all my colleagues at Robi Axiata Limited who have made the environment at Robi an excellent place to work in. The three months of my stay felt like a year because I have learned so much in such a short span of time.
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Executive Summary

When customers were tied to a fixed phone with its fixed phone number not many years back, mobile and cellular phones have flourished to meet up with the demand for communication that is getting in touch with others anytime, anywhere in the world. Robi Axiata Limited is one of the companies that has accelerated and sought out every nook and cranny of telecom products and services for both customers and businesses. By serving the urban dwellers and rural people simultaneously, Robi is going to fulfill the country’s vision to make communication a basic necessity and with the reach at all levels of the society. Sharing Robi’s experience and expertise with people of Bangladesh will not only assist in the development of the telecom infrastructure in the country but most importantly the people of Bangladesh remains connected and closer with each other. Robi is truly a people-oriented brand of Bangladesh. Robi marches ahead with innovation and creativity. Robi is committed to provide warm, friendly approachable services to its valued customers as well as mass society. Robi serves its subscribers with the philosophy of the excellence with the limited interconnection.

I had the opportunity to work with the Supply Chain Management team as an intern for three months. The report is the reflection of those three months of learning and hard work at Robi Axiata Limited. The report has been started with the basic overview of Robi, its departments and has moved to the main topic of “Comparative Analysis between Before and After Merger of Robi Axiata Limited.” In the ‘Before Merger’ part, the different kinds of strategies, customer bases, organization structure etc, are discussed. In the “After Merger” part, the changes that happened in the organizational structural, strategies, re-branding etc are discussed. Then in the next section ratio analysis of the year 2012 and 2013 are shown.

The three months experience enlightened me as how with small units of employee one can strategically work and solve hard tasks. The three month period also taught me that a good strategy can be really beneficial for a company’s survival in the market as a successful brand. On the other hand, if the strategy goes wrong then the company must pay for the mistakes it has made. If the mistake is severe, then it can be the downfall for the company and can take it to its financial graveyard.
Chapter 1: Introduction
1.1 Background of the Study

Every graduate from the business discipline has to take part in and complete the internship program with the purpose of learning how to do work practically from the theoretical knowledge gained so far as a business student. It is a great opportunity for every student to get practical experiences of the theoretical knowledge that we have gathered in our four years Undergraduate life. For gaining practical knowledge on a specific subject a research should be done. I have done my internship in the supply Chain Management department of Robi Axiata Limited. The topic of my report is: Comparative analysis between before and after the merger.

Robi Axiata Limited is a dynamic and leading countrywide GSM communication solution provider. Robi, the most dynamic and rapidly-growing telecommunications operator in Bangladesh, is developing its services to meet increasing customer needs - ranging from voice and high speed Internet services to tailor-made telecommunications solutions. It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, formerly known as Telekom Malaysia International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Later, on 28th March, 2010 the company started its new journey with the brand name “Robi.” To ensure leading-edge technology, Robi has the international expertise of Axiata and NTT DOCOMO INC. It supports 2G voices, CAMEL Phase II & III and GPRS/EDGE service with high-speed Internet connectivity. Its GSM service is based on a robust network architecture and cutting edge technology such as Intelligent Network (IN), which provides peace-of-mind solutions in terms of voice clarity, extensive nationwide network coverage and multiple global partners for international roaming. It has the widest international roaming coverage in Bangladesh connecting 550 operators across 205 countries. Its customer centric solution includes value added services (VAS), quality customer care, easy access call centers, digital network security and flexible tariff rates. With its strengths and competencies developed over the years, Robi aims to provide the best quality service experience in terms of coverage and connectivity to its customers all over Bangladesh. Together with its unique ability to develop local insights, Robi creates distinct services with local flavor to remain close to the hearts of its customer. Recently, Robi has launched its tremendous feature of 3G Internet.
As a customer focused Information Communications Company, Robi believes in providing superior service that leads to good business and good development in the society. Robi believes that quality is continuous and never-ending journey. Hence, any step taken by Robi is always upgrading, in order to expanding their network for better and more efficient services to the subscribers.

However like all good things are achieved with great struggle Robi Axiata has had to take bump on their otherwise jet pack ride to success. Robi Axiata Limited started its journey in Bangladesh in the year 1997 with the brand name ‘Aktel’. Aktel had immense scope of growth and establish itself as one of the top guns in the telecom market alongside Grameenphone. While Grameenphone’s business continued to flourish in size, growth and net earnings, Aktel consistently fell short and became a deterrent brand for many. The company kept incurring frequent financial losses because of its failed strategies. In September 2008, NTT DOCOMO acquired 30 per cent stake in TM International (Bangladesh) Limited, known as Aktel, by directly acquiring all stocks in TMIB held by AK Khan Co Ltd at a cost of $350 million. Before the acquisition, Aktel was in deep financial loss. After the acquisition took place, Axiata Group Berhad and NTT Docomo have implemented new strategies which helped the company to come out of the financial losses and expand its business to become the most dynamic and rapidly-growing telecommunications operator in Bangladesh. With its strengths and competencies developed over the years, Robi aims to provide the best quality service experience in terms of coverage and connectivity to its customers all over Bangladesh. Together with its unique ability to develop local insights, Robi creates distinct services with local flavor to remain close to the hearts of its customer. The main emphasis of this report is on how Aktel became a failed brand and its rise to become a star; Robi with the implementation of new strategies after the merger took place.

1.2 Origin of the Report

The main purpose of the Internship Program (BUS 400) is to allow the students to gain practical experience of the theoretical courses learned. This credit course is required to be completed by all students graduating under BRAC Business School at BRAC University. I have prepared this report as a partial fulfillment of the Bachelor of Business Administration (BBA) program under
the supervision of Assistant Professor Mr. Riyashad Ahmed. This report is the outcome of the three months long internship program at Robi Axiata Limited.

1.3 Problem statement

In September 2008, NTT DOCOMO acquired 30 per cent stake in TM International (Bangladesh) Limited, known as Aktel, by directly acquiring all stocks in TMIB held by AK Khan Co Ltd at a cost of $350 million. Before the acquisition, Aktel was in deep financial loss. After the acquisition took place, Axiata Group Berhad and NTT Docomo have implemented new strategies which helped the company to come out of the financial loss and expand its business. One of the most important decisions taken by the company was to re-brand itself with the name “Robi” from Aktel with the aim of localizing its branding. The company wanted to develop an emotional link with the culture and roots of Bangladesh. The top management of Robi Axiata Limited believes that Bangladesh's future telecom market will be rural-based, hence identification with a Bengali word is expected to add value. Robi has introduced new packages, new marketing campaigns and new slogan etc. They have created new departments within their organization like the Supply Chain Management, One Stop Service, Integrated Planning, Business Partnering and Digital Service. These departments are playing significant role in helping the company to generate profit. Robi is constantly working on improving its services to its customers as customers are the main source of the revenue. Since the BTS, commonly known as 'network tower', requires a large amount of money and manpower for maintenance, Robi has sought permission from the telecom regulatory body to hand over the maintenance work of its BTS to Edotco Bangladesh Co Ltd. Also, the company is focusing more on off-balance sheet financing to increase their revenue. Robi emphasizes more on OPEX rather than CAPEX. The company is working really hard to maintain its profit despite the facts like unfriendly regulatory environment and business uncertainties remain.

1.4 Research Objective

Every research has its specific objectives which must be fulfilled in order to attain success for the project. Hence the objective of this research is as follows:
• A comparative profitability analysis between the before acquisition and after acquisition state
• Reasons behind the company’s profitability
• Construct a plan to improve in areas where it is needed

1.5 Research Methodology

Both primary and secondary data will be used to develop a comprehensive research base. These data will be collected from sources including close ended questions, personal interviews, annual report, websites, journals, articles etc.

1.6 Expected Outcomes

The expected outcomes are listed below-

• Completing the requirement of the internship program of BBA curriculum of BRAC Business School
• Gaining an overall knowledge on how Robi is generating revenue
• Gaining knowledge that will compliment my academic knowledge and three months of internship experience.

1.7 Benefits of Research

Internship Program of BRAC University is a requirement for the BBA students. The main purpose of the Internship Program (BUS 400) is to allow the students to gain practical experience of the theoretical courses learned. This credit course is required to be completed by all students graduating under BRAC Business School at BRAC University. This research is a partial fulfillment of the Bachelor of Business Administration (BBA) program.

As part of the internship contract with Robi Axiata Limited, I am required to submit a report to them. After the submission of my report, Robi officials will check my report and they can surely gather some ideas from there which might help them in formulating strategies to increase and also to keep consistency in their profitability.
As part of internship requirement, I have to submit my internship report to Ayesha Abed Library. This report surely will enrich the library’s archive and can also be used for research purposes later.
Chapter 2: Company Overview
Robi Axiata Limited is a dynamic and leading countrywide GSM communication solution provider. It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, formerly known as Telekom Malaysia International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Later, on 28th March, 2010 the company started its new journey with the brand name “Robi.” To ensure leading-edge technology, Robi has the international expertise of Axiata and NTT DOCOMO INC. It supports 2G voices, CAMEL Phase II & III and GPRS/EDGE service with high-speed Internet connectivity. Its GSM service is based on a robust network architecture and cutting edge technology such as Intelligent Network (IN), which provides peace-of-mind solutions in terms of voice clarity, extensive nationwide network coverage and multiple global partners for international roaming. It has the widest international roaming coverage in Bangladesh connecting 550 operators across 205 countries. Its customer centric solution includes value added services (VAS), quality customer care, easy access call centers, digital network security and flexible tariff rates. With its strengths and competencies developed over the years, Robi aims to provide the best quality service experience in terms of coverage and connectivity to its customers all over Bangladesh. Together with its unique ability to develop local insights, Robi creates distinct services with local flavor to remain close to the hearts of its customer. Recently, Robi has launched its tremendous feature of 3G Internet.

As a customer focused Information Communications Company, Robi believes in providing superior service that leads to good business and good development in the society. Robi believes that quality is continuous and never-ending journey. Hence, any step taken by Robi is always upgrading, in order to expanding their network for better and more efficient services to the subscribers.

2.1 Nature of Business

Robi Axiata limited is a mobile telecommunication service provider in Bangladesh providing voice, data and other related services. The Company also provides international roaming services through international roaming agreements with various
operators of different countries across the world. The company obtained a radio system operating license from the ministry of Posts and telecommunications (MOPT), Government of Bangladesh in 1996 which was expired on 10 November 2011. The license was renewed for a period of 15 years effect from 11 November 2011.

The Company obtained 3G cellular mobile phone services operator license from Bangladesh Telecommunication Regulatory Commission (BTRC) on 12 September, 2013 to establish, maintain and operate 3G mobile phone systems and to provide 3G services throughout the country. The license is given for a period of 15 years with effect from 12 September, 2013.

The Company launched its commercial operations on 15 November 1997 and currently has nationwide network coverage which spreads over 64 districts and 531 thanas/ upazilas.

The Subsidiary Company (edotco BD) is primarily involved in providing necessary complete passive telecom infrastructure solutions to any business entities.

2.2 Company Profile

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Robi Axiata Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>Axiata Group Berhad and NTT DoCoMo</td>
</tr>
<tr>
<td>Bangladesh Head Office</td>
<td>Robi Corporate Centre, 53 Gulshan South, Avenue, Gulshan-1, Dhaka-1212; Bangladesh.</td>
</tr>
<tr>
<td>Year of establishment</td>
<td>1997</td>
</tr>
<tr>
<td>Industry</td>
<td>Telecommunication</td>
</tr>
<tr>
<td>Technology Deployed</td>
<td>EDGE, GSM, GPRS, 2G, 3G</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>Over 20 Million (March, 2012)</td>
</tr>
<tr>
<td>Position in the Industry</td>
<td>3rd</td>
</tr>
<tr>
<td>Network Coverage</td>
<td>86% of the population</td>
</tr>
<tr>
<td></td>
<td>80% Geographical network</td>
</tr>
<tr>
<td>Major Competitors</td>
<td>Grameenphone, Banglalink, Airtel</td>
</tr>
<tr>
<td>Market Share</td>
<td>19% (March, 2012)</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>26.034 billion (2012)</td>
</tr>
<tr>
<td>Corporate Website</td>
<td><a href="http://www.robi.com.bd">http://www.robi.com.bd</a></td>
</tr>
</tbody>
</table>
2.3 Vision

The vision of Robi is

“To be a leader service provider in Telecommunication sector in Bangladesh.”

Robi’s vision is to continuously monitor is customer’s needs and to plan accordingly. It will monitor the development of technology and updated self to meet customer demand.

2.4 Mission Statement

The mission statement is the ambition for future, to set a common direction for new brand, a framework for all strategic planning. Likewise, Robi mission is to empower their customers. They claim that,

“We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services.”

2.5 Focus

Axiata is focusing on not just developing a talent pool for the group and its subsidiaries – but on succession planning for key positions in the Robi. Robi Leadership program focuses on seven areas of leadership skills- strategic thinking, business acumen, result orientation, customer orientation, people management, coalition building and personal attributes.
2.6 Logo and Slogan of the Brand

The telecom brand now Axiata Bangladesh limited now is known to its customers and people as “Robi”. The bangle word Robi means “the Sun” which is the source of all power, complementing its name the slogan of the brand is “Jole Uthun Apon Shokti Te...” which is actually emphasizing the empowerment of the people. It means Robi will empower their customers and enable them to make a better life. They believe that, “We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services.” They also believe that “We will keep our promises and deliver. We will innovate, execute fresh ideas and as a nationwide organization, we will be respectful of our customers and stakeholders. “The Alpona in the logo is vibrant and modern. It has a very organic soft feel at the same time as providing a forward moving direction that is interpreting the sign of positivity and focus. The lack of sharp points and use of large curves provides a feeling of warmth and friendliness.

As well the Alpona is very close to the root of Bangladesh which also simplifying its slogan.

2.7 Purpose

The purpose statement is their ambition for future, to set a common direction for new brand, a framework for all their strategic planning.

Robi’s purpose is also to empower their customers. They claim that,

“We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services.”

The new brand is here to help people to empower and enable themselves to make a better life.
They also believe that,

“We will keep our promises and deliver. We will innovate, execute fresh ideas and, as a nationwide organization, we will be respectful of our customers and stakeholders.”

2.8 Principles of Robi

Principles statements define how people want to behave with each other in the organization. Robi Axiata Limited statement is about how the organization will value their customers, suppliers, and the internal community. For this reason Robi Axiata Limited Employees hold themselves accountable to the following guiding Principles for the organization. From the perspective of Robi:

- **Passionate:**
  We are Passionate—it’s in all of us; whether visible or hidden within for whatever reason. Everything we do is about doing the best we can. We are there for each other and we endeavor to help in every way we can.

- **Respectful:**
  We are truly respectful to each other, our subordinates, peers, partners and customers. We treat everyone equally and we allow people to express their thoughts opinions in a respectful manner.

- **Creative:**
  Everything we do we should do in a creative innovative manner. We bring energy to our work. Our communications demonstrates our creative flair. We provide creative and imaginative and services to our customers.

- **Open:**
  We have no hidden agendas. We share information freely. We can only be open with our customers, partners, and stakeholders if we are open with ourselves- regardless of hierarchy.
• **Simple:**
Everything we do and say should be simple and easy to understand. In terms of communications we make sure the massaging is in plain, simple language. Our plains are simple and uncomplicated.

• **Transparent:**
A few key words and phrases sum this up: Honesty, openness, frankness, no lies, no deceit, no games, easily understood. We are transparent with our customers, with each other, with our subordinate and peers.

• **Ethical:**
We are moral, upright, honest, righteous, virtuous, honorable, keeping our promises in all we say and do. We clearly align to our internal and organizational code of ethics and code of honor. We will oppose all forms of corruptions.

• **Ownership:**
Whilst working individually or correctively, we clearly demonstrate individual and collective ownership. Making mistakes is clearly part of daily business as it is part of daily life- as long as we own up to this clear, no culture of fear.

### 2.9 Shareholders

Robi Axiata Limited is a Joint Venture company between Axiata Group Berhad (91.59%) and NTT DOCOMO INC. (8.41%) The detail of the each of the shareholder is elaborated below:

**Axiata Group Berhad**

Axiata is one of the largest Asian telecommunication companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. The Group's mobile subsidiaries and
associates operate under the following brands - Celcom in Malaysia, XL in Indonesia, Dialog in Sri Lanka, Robi in Bangladesh, Smart in Cambodia, Idea in India and M1 in Singapore which has over 215 million mobile subscribers in Asia. The Group's revenue for 2012 was USD5.7 billion. Its market capitalization stood at over USD18.4 million at end 2012. The Group provides employment to over 20,000 people across Asia. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

NTT DOCOMO INC.

NTT DOCOMO INC. is the Japan's largest mobile service provider, serves more than 60 million customers with a high-quality nationwide 3G network and an ultra-high-speed network that will be available to more than 98% of Japan's population by Fiscal Year 2014. It also manages R&D centers worldwide to develop technologies centered on mobility that enable subscribers to use handsets for GPS, TV, personal assistance, cloud solutions, smart grid management and much more. Outside Japan, the company provides technical and operational expertise to eight mobile operators and a growing range of other partner companies.

2.10 Product Portfolio

Robi mainly offers five types of product based on the subscription category for general subscriber:

- Pre-paid
- Post-paid
- Robi Corporate
- International Roaming
- Value Added Service
2.10.1 Prepaid Packages

Robi Pre-paid is continuously offering new features and plans to provide absolute freedom to the subscribers. Robi offers a single Pre-paid package with different tariff plans to meet different types of needs of their customers which includes easy and multiple migration facility from one tariff to another. Tariff packages are as follows:

*Muhurto, Shorol, Nobanno, Goti, Robi club, Robi prothom, Robi Shasroyee*

For the entrepreneurs Robi offers a different package like *Uddokta* and *Easy Load Tariff*.

2.10.2 Postpaid Packages

Robi offers a small number of worthwhile Post-paid Packages like, Simple plans, Normal plans. Robi’s post-paid product comes with various packages. Robi Push mail is a secure and reliable e-mail solution at an affordable price. Now customers can work as if at their desktop from anywhere. Customers can know their bill information through Web Bill, E-Bill, SMS, USSD and Customer Care Center.

2.10.3 Robi Corporate

It is a cutting edge technology providing the ultimate solution to the corporate customer. Which offers a wide range of packages to the corporate clients, zero monthly deposits, convenient bill payment option, and Robi corporate insurance policy along with the cutting edge value added services?

2.10.4 International Roaming

This service allow the Robi subscribers to make and receive calls while traveling as it is connected with 600 operators of more than 200 countries of the world
2.10.5 Value added Services

The value added services of Robi are: Robi music, entertainments, downloads internet and data service, messaging, community chat, information service, mobile assistance, education and career, lifestyle, finance, balance transfer and request, call management, Facebook, job alert, Robi locator, GPRS, phone back up, call block and so many other services.

2.11 Financial Instruments of Robi

2.11.1 Financial Assets

Robi Axiata Limited initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which Robi becomes a party to the contractual provisions of the transaction.

Robi derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or if transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include trade receivables, other receivables, long term receivables, cash and cash equivalents and deposits.

Accounts Receivables

Accounts receivables represent the amounts due from mobile telephony subscribers for telecom services, other operators for interconnection services, international roaming services, infrastructure sharing and includes both billed and unbilled portion of such services at the date of statement of financial position. Trade receivables are stated net of provision for doubtful debts.

Other Receivables

Other receivables comprise receivable from channel partners, other non-mobile receivables and interest receivables. Other receivables are stated net of provision for doubtful debts, if any.
Long term receivables

Long term receivables include wedding loan and furnishing allowances provided to employees.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents.

2.11.2 Financial Liabilities

Robi Axiata Limited initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include obligation for financial lease, trade and other payable, amount due to intercompany, subscribers’ security deposit, interest bearing term loans, suppliers’ credit and short term loan.

Obligation for Financial Lease

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee’s incremental borrowing rate is used.
Accounts Payable and Other Financial Liabilities

Robi Axiata Limited recognizes trade and other payables and other financial liabilities when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company resources embodying economic benefits.

2.11.3 Impairment

Financial Asset

Robi Axiata Limited considers evidence of impairment for financial assets (loans, receivables and held-to-maturity investment securities) at both a specific asset and collective asset level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by Companying together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, indicates that a debtor or issuer will enter bankruptcy etc. Accordingly, 100% provision is made over the amount outstanding (after considering security deposits) from churned post paid subscribers.

As per the existing credit policy, provision is created at the rate of 50% as doubtful debts against those unsecured bills (the amount outstanding, net of respective security deposits) which remain unpaid for a consecutive period of 3 months to 6 months and 100% provision is created against those unsecured bills (the amount outstanding, net of perspective security deposits) which remain unpaid/unallocated for a consecutive period above 6 months. Doubtful debts those remain
uncollected for a period of more than 12 months, are written-off upon approval from the Board of Directors.

**Non-financial assets**

The carrying amounts of Robi Axiata’s assets are reviewed to consider possible impairment of assets. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of comprehensive income.

**2.11.4 Inventories**

Inventories consist of SIM cards, starter kits and scratch cards which are valued at lower of cost and net realizable value. Cost of the SIM cards, starter kits and scratch cards are determined by the weighted average basis and comprise all cost of purchases and other cost incurred in bringing the inventories to their present location. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of the inventories to the lower of cost and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated cost of completion and the estimated cost necessary to make the sale.

**2.12 Employee Benefits**

Robi Axiata limited maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is being determined according to the terms and conditions set out in the respective deeds as approved by the National Board of Revenue.
2.12.1 Defined contribution plan (provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Robi Axiata Limited maintains contributory recognized provident fund for its eligible permanent employees. The recognized provident fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. Robi Axiata’s obligation for each period is determined by the amount contributed for that period.

Robi Axiata recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for those contributions.

2.12.3 Defined benefit plan (gratuity)

A defined benefit is a post-employment benefit plan other than a defined contribution plan. Robi Axiata Limited operates a funded gratuity scheme, provision in respect of which is made annually covering all its eligible permanent employees. However, separation benefits payable on cash basis under reorganization scheme are settled as gratuity.

The recognized employee gratuity fund is being considered as defined benefit plan as it meets the recognition criteria specified for this purpose. Robi Axiata’s obligation is to provide the agreed benefits to the employees as per condition of the fund. Management believes current funding to be sufficient to meet obligations as and when they fall due.

2.13 Revenue recognition

Robi Axiata measures revenue at fair value of the consideration received or receivable, net of discount and sales related taxes and VAT. Revenues are reported gross with separate recording of expenses to vendors of products and services. Revenues of Robi Axiata comprise:
Installation charges

Installation charges revenue represents the revenue arising from prepaid service registration fees, sale of prepaid registration forms, sale of replacement SIMs and fees from ownership change etc.

Monthly rent/subscription revenue (access fee)

Monthly rental/subscription revenue is the monthly rental charges of the connection for the post-paid subscribers and is recognized as revenue on accrual basis (exclusive of VAT).

Airtime/Traffic revenue - prepaid

Revenue from the sales of prepaid recharge are deferred at the time of sale and recognized as revenue based on the actual use of the airtime, net of VAT and discounts. Unrecognized amount is presented as unearned revenue and disclosed as current liabilities.

Airtime/Traffic revenue - post-paid

Robi Axiata recognizes post-paid revenue on accrual basis and records as income (exclusive of VAT) as services are rendered.

Roaming revenue

International roaming revenue is recognized as income on accrual basis as services are rendered.

Interconnection revenue

Interconnection revenue with other operators is recognized on accrual basis based on actual recorded off-net incoming traffic during the period.

Revenue from international gateways (IGW)

International gateway exchange (IGW) is a telephone switch that forms the gateway between a national telephone network and one or more other international gateway exchanges, thus providing cross-border connectivity. Revenue from IGW is recognized on accrual basis based international incoming calls.
Value added service

Value Added Services (VAS) are noncore services beyond standard voice calls and are availed of separately by the end user. It includes SMS, MMS, GPRS and CRBT etc. VAS revenue from prepaid and post-paid is recognized same as prepaid traffic revenue and post-paid traffic revenue recognition policy respectively.

Infrastructure sharing revenue

Income from lease of passive infrastructure is recognized as revenue as per BAS 17: Leases based on prices agreed with customers, net of VAT and discounts.

2.14 Asset Retirement Obligation

Robi Axiata Limited recognizes asset retirement obligations (ARO) in respect of roof-top, green field base stations and office space for any constructive and/or legal obligations for dismantling, removal or restoration incurred by the Company as a consequence of installing or constructing the sites. Asset retirement obligation is measured at the present value of expected cash out flows required to settle such obligations. Unwinding of the discount is charged as finance expense in the profit or loss.

2.15 Financial Risk Management

Risk management framework

Robi Axiata’s management has overall responsibility for the establishment and oversight of the company’s risk management framework. The company’s risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviews regularly to reflect changes in market conditions and the company’s activities. This note presents information about Robi Axiata’s exposure to financial risks, objectives, policies and processes for measuring and managing risk, and the company’s management of capital.
Robi Axiata Limited has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Credit risk

Credit risk is the risk of a financial loss to Robi Axiata Limited if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company’s receivables from subscribers, interconnection operators, roaming partners and dealers.

Robi Axiata’s management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are mainly related to Robi Axiata’s subscribers/customers, interconnection operators and roaming partners for provision of services. Robi Axiata’s exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of post paid subscribers and interconnection operators.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that Robi Axiata will not be able to meet its financial obligations as they fall due. Robi Axiata’s approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company’s reputation. Typically, Robi Axiata ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparations of the cash flow forecast, based on the time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term and long term lines of credit with
scheduled commercial banks and in form of suppliers’ credit to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

In extreme stressed conditions, Robi Axiata may get support from the ultimate parent company (Axiata Group Berhad) in the form of shareholder’s term loan and share money deposit.

**Market risk**

Market risk is the risk that any change in market prices, such as foreign exchange rates will affect Robi Axiata Limited’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

There are two types of market risk:

- Currency risk
- Interest rate risk

**Currency risk**

Robi Axiata Limited is exposed to currency risk on certain revenues and purchases such as roaming revenues and expenses, telecom equipment purchases, network related costs and interest expense and repayments relating to borrowings incurred in foreign currencies. Majority of Robi Axiata’s foreign currency transactions are denominated in USD and related procurement of capital items from abroad. The company maintains a USD bank account where all receipts from international roaming services are deposited and all corresponding payments are made.

**Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Robi Axiata Limited has not entered into any type of derivative instrument in order to hedge interest rate risk yet.
2.16 Financial instruments - Fair values and risk management

Measurement of fair values

A number of Robi Axiata’s accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities. Robi Axiata has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility of overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirement of BFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee.

When measuring the value of an asset or a liability, Robi Axiata uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable input)

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Robi Axiata Limited recognizes transfers between levels of the fair values hierarchy at the end of the reporting period during which the change has occurred.
2.17 Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing Robi Axiata’s internal capital adequacy to ensure the company’s operation as a going concern. Board of directors is charged with the ultimate responsibility for maintaining a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. All major investment and operational decisions with exposure to certain amount is evaluated and approved by the board. The Board of directors also monitor the return on capital, which the Company defines as result from operating activities divided by total shareholder’s equity.

2.18 Corporate Social Responsibility

Robi dreams of a prosperous and strong nation and thus Robi’s commitment to the society is an integral part of its business. Robi intends to build a better Bangladesh by empowering people and by providing support towards the sustainable development of the community.

In line with Government’s development plan as well as its own Corporate Responsibility (CR) philosophy, Robi engages itself in various types of Corporate Responsibility (CR) programs. Through its CR initiatives, Robi intends to contribute towards the development of socio economic and ecological condition of the country through enriching people’s lives focusing on their primary needs as well as conserving the unique culture & Heritage of Bangladesh.

Robi endorses its enabling and positive impact on the society, primarily, through its 'core operations' or business footprint and secondly, through its ability to reach out to national development goals by 'Empowering People'.

Renewing its CSR philosophy, Robi is widening its core CSR area with the launching of new brand in 2010. Robi has redefined its CSR drive under five thematic aspects - Education, ICT (information, communication and technology), Health, Environment and Culture & Heritage with prime focus on women empowerment. Among the core areas, education is the major thrust areas of Robi's CSR interventions. In line with Government's 'Digital Bangladesh Vision 2021', Robi will be working towards ICT development across the country especially in the colleges.
and libraries. With special focus on women, Robi is emphasizing on women health and women entrepreneurship. Thus Robi aspires to be a powerful agent of change through enriching people's lives for a better living.

**Water Treatment Plant**

Safe drinking water facility for railway passengers at different divisional railway stations set up by Robi Axiata Limited. The water tank with the capacity of 5000 liter of safe drinking water per hour to meet thirst of the huge number of railway passengers (more than 55 thousands passengers traveling daily through these stations). There are separate water taps kept for male, female, one is dedicated for the disabled people and ablution.
**Existing locations**

<table>
<thead>
<tr>
<th>Location</th>
<th>Operation Since</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kamalapur Railway Station</td>
<td>October, 2010</td>
</tr>
<tr>
<td>Chittagong Railway Station</td>
<td>March, 2011</td>
</tr>
<tr>
<td>Dhaka Airport railway station</td>
<td>October 2012</td>
</tr>
<tr>
<td>Sylhet Railway Station</td>
<td>January, 2013</td>
</tr>
<tr>
<td>Khulna Railway Station</td>
<td>January, 2013</td>
</tr>
<tr>
<td>Rajshahi Railway Stations</td>
<td>January, 2013</td>
</tr>
</tbody>
</table>

**First digital flag of Bangladesh**

Robi Axiata has made the first digital flag of Bangladesh through a microsite: www.bdworldrecord.com. The mobile operator took the initiative to compensate those who could not attend the event of building world’s biggest human national flag in the capital on December 16. The operator created the microsite on December 11 and started the digital flag campaign two days later. People were requested to visit the site and click on a specific point to build the flag. Over 16,000 people take part in the campaign in two days and it took 2,103,630 clicks to complete the flag, the telecom operator said in a statement yesterday. Around 660 viewers shared their opinion through the site on why they want to be a part of this record breaking attempt. Anyone can now visit the microsite and see the human flag. (Robi comes up with first digital flag of Bangladesh, 2013)
Electricity is an essential need for living but many people in Bangladesh do not have any access to it. There are still many villages without any supply of electricity thus denying the villagers there the opportunity to lead a better life. Robi has taken an initiative to contribute towards reducing the energy crisis through providing solar driven technology among the underprivileged people of off-grid areas as well as helping to reduce CO2 emission. Keeping these in mind, Robi Axiata Limited has already built a mega solar panel and distributed solar power home solution among 150 families with 2 lights & a mobile charger at Kaluar Char village of Razarhat Upazilla of Kurigram district for free of cost. This mega panel will provide electricity for 4 hours to each household along with all sort of technical supports for 5 years. (Robir Alo)

Following the success and considering the importance of the project in the Kaluar Char village, Robi has extended the project to another 440 houses which include several houses in this village and in adjoining villages. Under the 2nd Phase rest of the houses in Kaluarchar, the two adjacent
villages Chor Joy Kumer & Kismat Cinay have been covered. The Grid Capacity for the 150 (Ph-1) and 440 (Ph-2) houses are 2.5 KW and 9.18 KW respectively. Under Robi’s CSR pillar Environment this initiative has changed and having a positive impact on the socio economic development of the local people. (Robir Alo)

In brief we can say, the project has in truer sense has illuminated their daily life and given them an opportunity to change their lifestyle and be in touch with one of the best discovery of the modern technology. (Robir Alo)

**English in Schools (EIS)**

Reaching 1000 schools, 64 districts, 7 million students, and 10,000 teachers

English in schools, the biggest ever CSR project in Robi's history is a language learning program in partnership with The Daily Star to promote English language learning at secondary schools across the country. The ground of this huge project lies on the extremely low English literacy rate (not more than 1%). The major reason behind a huge number of 'drop out' from schools is also poor performance in English. Under this 3 years (initially) long project, 1,000 secondary schools are being covered. In the first phase, all these schools are being delivered 3 copies of The Daily Star for 5 days every week free of cost, along with supplementary 'English
in schools Content Page’ as English learning tool both for students and teachers. (English in Schools (EIS))

Basic Computer Training

Robi Axiata Limited has initiated a training program on Basic Computer Knowledge for the students of 72 colleges in 64 districts where Robi has already implemented Computer Corners to increase IT literacy among the students of rural and semi-urban areas. Robi employees visit the colleges to conduct day long Basic Computer training. The initiative has started from March 01, 2012. The 1st phase has finished on December 26, 2012. (Basic Computer Training)

Internet Corner

Under this campaign Robi with the support of Department of Public Libraries has established internet corners at all seven divisional public libraries with the objective of giving opportunity to all to know the benefits of internet. Robi believes that the users will be able to explore the world through this free internet service. (Internet Corner)

Largest human flag

Robi Axiata Limited, in partnership with the Bangladesh Army, shattered the Guinness World Record for Bangladesh with the creation of the world’s largest human national flag using 27,117 people. The attempt was undertaken on Victory Day, December 16, 2013, at the National Parade Ground, Sher-E-Bangla Nagar. Robi Axiata, in partnership with the army, accomplished much more than just mustering 31,000 volunteers in the middle of a blockade, a feat in it. They also unveiled an original patriotic song, the rousing “Raise One Flag” sung by Sabina Yasmin and Ayub Bacchu, along with a music video recorded a mere two days before. Immediately after the flag formation, they staged a music concert featuring 16 Bangladeshi superstars including Sabina and Ayub. It was the most watched live event in Bangladeshi television history. Many were moved by the event. Some cynics brushed it off as a marketing ploy. Yet no one could deny it was an uplifting Victory Day moment, coming as it did amid months of bloody hartals and divisive political strife. The country needed a single cause to rally around, and Robi knew it. It was officially recognized as a national event, but the organizer insisted on keeping it apolitical. The formation of the flag took a few attempts, building suspense and anticipation in the crowd. When at last all 27,117 volunteers managed to hold their pieces steady for the full five minutes
required by Guinness regulations, it was a dramatic moment. The event reflected their brand motto: “When we unite, Bangladesh shines.” Robi’s almost superhuman efforts were doubtless driven by the knowledge that they might never again get such a golden opportunity to win hearts all over Bangladesh. (Habib, 2014)

**Other Initiatives**

Robi Axiata Limited organized an art competition for children of its Dhaka based employees on Saturday, June 9, 2012. The event was organized in observance of the World Environment Day 2012. The theme of the contest was “Rong Tulite Amar Prithibi” and the children drew/painted pictures portraying the world as they would want it to be. (Other Initiatives, 2012)

About 80 children, aged from 5 to 14 participated in the art competition. The competition was rounded off with a magic show performed by popular magician Ulfat Kabir.

### 2.19 Competition Analysis

There are only few players in the Bangladesh telecom industry but there is strong neck to neck competition among these competitors. Even though Robi has been successful in implementing its strategies in the last few years, yet it has to fight strong to hold its market position. When Robi entered in to the telecom industry, its only competition was the GrameenPhone Ltd (GP) which was the market leader at that time. But later on after the entrance of Banglalink of Orascom telecom the market revolted quickly and Robi had came down to the number three position from the second position. Since that time Robi has to fight with the market leader GrameenPhone, follower Banglalink as well as the other mobile operators who are just behind its position like, Airtel of Airtel Bangladesh limited, Citycell of Pacific Bangladesh Telecom Limited, Teletalk of Teletalk Bangladesh Limited.

### 2.20 Current Situation in Bangladesh

In order to increase market share, profitability and efficiency, Robi have addressed the need of empower their regions and focus strategies on different business areas. They have reduced bureaucracy, cultural barrier between countries and customers which is a bold step envisioning their growth. As a result, the current situation of Robi Axiata Limited in Bangladesh is very significant. In 2012, Robi’s revenue growth touched to 44.7%, and population coverage reached 98% which shows momentous achievement for them. As the establishment of Robi was in
Chittagong, they always gave preferences to Chittagong people along with the country. The company which was established with only 7 BTSs now occupies 1,930 BTS sites at Chittagong and total 8370 BTSs all over the country. Moreover according to Bangladesh Telecommunication Regulatory Commission, within two years of operation as Robi, the organization has earned 19.08% market share. Surprisingly, out of this market share, 60% is of Chittagong. Currently, Robi holds the third position in the telecommunication segment of Bangladesh in terms of subscriber covering 17.087 million active users in our country which 25% lies in Chittagong but second in terms of print media coverage. The day is not so far, when Robi will be the leader in this sector.

2.21 Company Achievements

- In December 16, 2013, Robi has achieved the most precious recognition, which is the Largest Human Flag in the world, and it is already recognized by the Guinness World Records Committee.
- Crossing 20 million subscribers mark in 2012.
- Robi Axiata Limited, the leading mobile phone operator of the nation, has received “Star News HR EXCELLENCE AWARDS FOR INNOVATION IN HR”.
- Robi has been conferred the prestigious Frost & Sullivan Asia Pacific ICT Award 2010 for ‘Emerging Market Service Provider of the Year’
- Awarded the prestigious fund grant from GSMA MMU (Mobile Money for the Unbanked) in 2009
- Crossing 10 million subscribers mark in 2009
- Cost optimization project saved 2 times of what was projected.
- TeleLink Telecommunication Award 2007 for its excellence in service, corporate social responsibilities and dealership management for the year 2006 in commemoration of World Telecommunication Day 2007
- Arthakantha Business Award given by the national fortnightly business magazine of Bangladesh for its excellence in Service in telecom sector.
- Financial Mirror Businessmen Award given by the national weekly Tabloid business magazine.
- Desbandhu C. R. Das Gold Medal for contribution to telecom sector in Bangladesh.
- Beautification Award for exceptional contribution to the Dhaka Metropolitan City from Prime Minister Office on 13th SAARC summit.
- Desher Kagoj Business Award 2006 for corporate social responsibilities activities.

5th Best Employer of the Year

Robi touches yet another milestone in its journey from excellence to greatness. Robi Axiata Limited was awarded as the 5th Best Employer of the Year at the 22nd World HRD Congress, 2014. We have also achieved awards in the categories of “Talent Management”, “Best HR strategy in line with Business”, and “Global HR Strategy”, which only strengthens their belief that Robi Axiata is headed in the right direction.

The World HRD Congress comprises of HR professionals from 100 nations across the world. The Award is one of the most coveted of HRD Congress events and vied for by companies around the world, according to the World HRD Congress Advisory Council. The Jury board was impressed to see so many HR initiatives being successfully implemented.

The evaluation process for the awards involved an initial screening by an Academic Council, followed by a Professional Council. It was our objective to lay down a performance driven culture that would be strengthened by our guiding principles. Robi Axiata took a holistic approach in setting down the people practices, addressing all enablers that affected performance, be it organization structure, Resourcing, Performance Management or Learning and Development. Also, Robi developed an HR strategy that addressed Resourcing, Talent Management, Performance Management, Integrity and Ethics, as well as Employee Engagement.
Since its transformation in 2010, Robi charged forward, with an average of 20% revenue growth. Robi Axiata regained the No. 2 position in terms of revenue. Robi Axiata has been identified as one of the top three employers of choice in the country. The company has been awarded with the Emerging Market Service Provider of the Year Award at the 10th Frost & Sullivan Asia Pacific ICT Awards.

Robi Axiata’s success has not been by chance; it has been by choice, through careful crafting of strategies to align and exceed the requirements of the changing industry. HR accordingly, envisioned, evolved and executed its people strategy through rigorous processes and practices. Going forward, Robi’s aim is to take the excellence achieved towards greatness, in terms of company performance and industry parameters. It is no more about holding the #2 position in the industry but exceeding all performance parameters and gaining pace towards becoming the leading telecom operator in the country with strong local heritage. True to Robi Axiata’s corporate brand value, the company strives to ignite the power within their people and place themselves in league with the Global High Performing Companies, known for their exceptional performance and uncompromising integrity.
2.22 Department and Division

Robi follows a big hierarchy. In the hierarchy, there are 8 different departments which are headed by the CEO. Under each department there are several divisions. These department and divisions play a very crucial role for the success of the company. Different department of Robi
Market Operation
The overall market operation department has nine sub divisions which include: Business IT, Customer Experience, Sales and Services, Value Added Service, Voice and Devices, Market Strategy and Planning.

Technology
Technology department consists of six divisions which include: Compliance, Regional Operations, Central Operations, Implementation, Planning and Development.

Human Resource
Human Resource consists of four divisions: Employee Relation and Compliance, Competence Development, HR Operation, Organizational Development and Training Management.

Corporate Strategy
Main task of corporate strategy division is to analyze monthly growth, revenue, KPIs as well as develop new business proposals for Robi. The division is responsible to plan for organizational growth.

Administration
Administration department consists of six divisions which include: Project Management, Safety, Security, Fleet Management, Facility and Estate Management. Administration division works to control the business facility layout, safety and maintenance, controlling overall employee management, security staffs and personnel management etc. Besides, maintaining alternative sites for emergency evacuation is also a part of administrative job.

Digital Service
Robi Axiata formed a new division called “Robi digital services” in late 2012, primarily to serve the digital needs of its customers and to assist the underprivileged people of the country who have no access to formal banking facility. The division is equipped to deliver services in digital arena mainly Bid Data, digital money, digital advertisement, digital commerce, M2M etc. In 2013, Robi digital services significantly worked on the digital money to boost the growth of mobile money industry in Bangladesh. Digital money activities include partnership with multiple Mobile Finance Services (MFS) for their network connectivity to their agent network requirements. Also, foreign remittance payout services have been introduced, wholeheartedly
serving Bangladeshi migrant worker’s families. Digital Service consists of just two divisions which are Operation and Business Development.

**Infrastructure**

Infrastructure department consists of two divisions which include: Sales and Business Development and Operation.

**Corporate Regulatory Affairs and Legal**

This division is known as CRL which is in charge of all the CSR activities approval, analysis of event management and sponsorship, maintaining relations with media, handling legal issues by govt. and so on. Two of the most renowned faces are incorporating the division.

**CRL**

CRL stands for Customer Relationship and have five divisions which include: Economic Regulation, Legal and Compliance, CSR and Sponsorship, Company Affairs, Corporate Communications & Media Relations.

**Finance**

Finance is the heart of any business functions because they are responsible for budgeting. Finance division of Robi Axiata Limited is accountable for financing into different proposals, business partnering, as well as new product development. Finance controls financial accounting, creating salary sheets for employees, maintaining compliances and so on. Corporate Finance, Financial Accounting and Management Reporting, Financial Compliance, Insurance and Process, Supply Chain Management, Revenue Assurance and Fraud Management, Planning, Business Partnering, Media Buying, Transformation Office and Company Secretary are the departments of Finance division. There are total 150 employees who work in Finance department, which is 8% of the total employee of Robi.
The sub division and division of Robi are illustrated below:

Figure: Organogram of Finance division

**Enterprise Program Management**

Enterprise program management (EPMO) works closely with the CXOs in developing or participating different management programs. Along with the Corporate Strategy division, EPMO defines business objectives, goals, policies for business and contribute for dissimilar projects to take place.

**Internal Audit**

Internal audit division of Robi works to ensure worth of operations, reliability of financial reporting, determining and investigating fraudulent activities, safeguarding assets in accordance with the law and regulations.
Chapter 3: Overview of Supply Chain Management
Robi aims to provide cost-effective quality cellular services in Bangladesh. To meet this goal, Robi is constantly developing network and services. Robi reinvests a huge portion of its earnings for the improvement of its network services. Besides collecting the network equipment, Robi needs to procure varieties of things from different parties. For all these procurement, all the departments contact with the Supply Chain Management Department. The Supply Chain Management Department is responsible for all Purchase and Logistic activities of Robi.
3.1 Scope

- Responsible to guide, administrate and supervise as well ensuring supply chain management departmental activities & its staffs to optimum level.
- Ensure achieving company objectives that are aligned with the BP and also to develop, recommend and implement strategies for SCM.
- Procurement, distribution goods and services to meet Robi requirement as well as disposal of scraps.

3.2 Supply Chain Management Key Performance Indicator

- Develops supply chain strategy that supports and meets company strategy.
- Maintains routines to ensure in-time delivery of supply of goods and/or services in a cost efficient way.
- Minimizes company risk and maintains compliance in terms of all kinds of regulatory as well as internal policy /procedure.
- Ensures accuracy in terms of complex RFQ/RFTs (Request for quotation), proposals and contracting requirements.
- Develops appropriate risk mitigation strategies.

3.3 Structure of the Supply Chain Management Department

The Supply Chain Management Department falls under the Finance Division. The Head of SCM reports to the Chief Financial Officer (CFO) of Robi.

The Supply Chain Management Department of Robi consists of:

- Procurement
- Logistics, Inventory & Warehouse
- Collaboration Management.
3.3.1 Procurement Unit

**Scope of Procurement Unit**

- Directing the buying activities
- Responsible for identifying appropriate sources of materials & services
- Selecting suppliers
- Arranging contracts
- Managing relationships
- Provides analysis to increase levels of services at reduced costs and in time delivery
- Responsible for the disposal of scrap goods.

**Procurement Key Performance Indicator**

- Review and revision of Procurement Manual in line with Robi Group guideline and implement necessary SOP & SLA establishing all control in place by Jun’s 10
- Monthly performances reporting by 1st week of month
- Achieve 96% on contract procurement within 2010
- Quarterly bidders assessment and taking corrective measure- Be implemented by JUL’10
- Cost saving target of 10% and addressing quality issues in areas where even cost may further increase- on going
- Gather quarterly spend plan from all user divisions/units and initiate effective procurement plan to manage before the start of each quarter.
Types of Procurement

Procurement unit is classified into five types, which include:

1. Tender:

When transaction value is estimated to exceed BDT 70,000,000 or USD 1,000,000 then tender is used to complete the procurement process.

2. Quotation:

Quotation type procurement system is used when transaction value is estimated to be up to BDT 70,000,000 or USD 1,000,000.

3. Emergency purchase:

When transaction value is estimated to be up to BDT 2,500,000 emergency purchase is used as the procurement system.

4. Direct Purchase:

This type of procurement is allowed in the circumstances of single, sole or proprietary sources.

5. Cash purchase:

Cash purchase is allowed under following circumstances which is subjected to management approval:

- Up to BDT 500,000 in single transaction.
- If there have no potential registered supplier.
- If the item needs to be spot purchased and the seller does not allow credit sales.
- If the type of the purchase is irregular.
Process flow of Procurement Unit

RFQ/RFT (Request for Quotation):

Here quotation process shall be the same as tender except:

- No BOD (Board of Director) approval is required
- No group procurement is involvement
- No advertisement (in case of open tender)
- No need to sell tender document and
- No earnest money required
- Robi aims to provide cost-effective quality cellular services in Bangladesh. To meet this goal, Robi is constantly developing network and services. Robi reinvests a huge portion of its earnings for the improvement of its network services. Besides collecting the network equipment, Robi needs to procure varieties of things from different parties. For all these procurement, all the departments contact with the Supply Chain Management Department. The Supply Chain Management Department is responsible for all Purchase and Logistic activities of Robi.

3.3.2 Logistic Inventory & Warehouse (LIW) Management Unit

Scope
LIW unit is responsible for modeling, analysis and implementation of logistics, distribution, inventory, transportation and warehousing systems and their applications, all kinds of Import & Export Comes Import of Robi Axiata Limited and different type of report for Management.

Logistic Inventory & Warehouse KPI

- Maintain the customs clearance process cycle-5 days.
- Maintain good relationship with all stakeholders (Bank, PSI (Pre-Shipment Inspection), and Customs Review Committee) for managing efficient/proactive operation. a) 5% deviation in HS code b) Saving demurrage charge by 50% of 2009.
- Execute logistic operation that is planned as per warehousing facility.
- Develop “Warehouse & Inventory Manual” to ensure the efficient warehouse management and proper distribution of equipment/goods at site/market.
- Ensure all transactions must be recorded in SAP on real time basis-100% compliance to be achieved.
- Ensure Inventory control and proper distribution of materials/SIM/Scratch cards as per set distribution norms-as per BP plan (safety stock, reorder level, and EOQ to be defined)
- Monitor and meet all standard compliance of safety and security measures in warehouse/inventory-100% compliance to be achieved with standard norms.

*List of Warehouses*

1. Tongi Warehouse
2. Nabinagar Warehouse
3. Kanchpur Warehouse
4. Hemyetpur Warehouse
5. Gulshan Warehouse
Process Flow of Logistics

1. Receive PO from Procurement/PI from Vendor
2. Confirmation of PI and obtain BTRC permission (Tech)
3. L/C opening by Finance
4. Request for Shipment Schedule
5. Collect shipping documents and documents endorsed by Bank
6. Handover all documents to C&F, File noting for customs processing by C&F
7. Assessment by Customs
8. Got valuation from Customs and Request Finance for Pay Order and PO handover to Customs
9. Consignment release from Customs and handover to warehouse
3.3.3 Collaboration Management

Collaboration management unit works closely with other units of supply chain and all the other departments of Robi Axiata Limited. Initially the name of this unit was Contract Management. But later in 2013 the name was changed into Collaboration Management.

The primary responsibilities of this unit is to negotiate, support and manage effective contracts which are expensive to train and retain. Collaboration management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes or amendments that may arise during its implementation or execution. One of the key aims of contract management is to obtain the services as agreed in the contract and achieve value for money. This means optimising the efficiency, effectiveness and economy of the service or relationship described by the contract, balancing costs against risks and actively managing the customer and service provider relationship.

Additional responsibilities of Collaboration Management include over viewing the process of Purchase Order (PO) which are of large amount. This unit is vested with the responsibility to make sure that all the steps are maintained and carried out in a proper manner regarding the Purchase Order of large amount. Moreover, this unit will be working closely with Axiata Group Berhad for the implementation of the ‘e-Procurement’ project.
Chapter 4: Job Responsibilities
4.1 Job Responsibilities

Robi reinvests a huge portion of its revenue for the improvement of its network services. Besides collecting all the necessary network equipments, Robi procures numerous essential items from different vendors. For all these procurement activities, all the departments have to contact with the Supply Chain Management Department. My work was with the Supply Chain Management department under finance division for a period of three months at Robi Axiata Limited. The Supply Chain Management Department is responsible for all Purchase and Logistics activities of Robi. The Department dealt with close liaison with all the departments for example, Market Operations, Business Partnering, Media Buying, Technology, Corporate Finance, Corporate Regulatory Affairs and Legal, HR etc. making my work highly immersive.

At Robi Axiata, Supply Chain Management department is divided into different teams. Although I was assigned as an intern at the Collaboration Management team, I worked with other teams as well. Here every task is broken into various parts, each individual is assigned a specific segment to complete, and after a given period, all the members sit together and combine each task to complete a project. Often two or three teams work together on the same project within SCM. Since I was an intern, I had no specific job roles rather had to follow instructions cited by my supervisor. Some of the instructions were as follows:

- Collecting data and organizing them in Excel to make trend analysis and efficient planning
- Maintaining and updating the Vendor Management Database
- in developing training materials Assisting
- Assisting in drafting contracts
- Attended in-house training sessions on Effective Contract Management, Procurement Process and An overview on Supply Chain Management of Robi. Among these3 training sessions, s arranged especially for the interns and service providers of the last one wa SCM.
- Attended ‘Robi SCM Technology Session’ at LM Ericsson Bangladesh Limited.
- Worked on ‘Vendor Satisfaction Survey’
- Meeting up with vendors to collect and deliver contracts and other documents from them
- Calling up vendors to remind them to collect the expired contracts

4.2 Problems faced during the internship

Robi Axiata Limited is extremely work oriented. However, the workplace is very friendly and welcomes change. Nevertheless, I faced some problems during my three months of the internship program. Robi uses Microsoft Outlook for the purpose of sending and receiving e-mails. This software has some limitations. Unlike Gmail or Hotmail, one can send attachments up to a limit of 10MB in a single e-mail which often used to create problems. Sometimes the file sizes were such higher than the given limit that even compressing the files in zipped folders were not a solution. In order to avoid the leakage of confidential information, the top management has decided to disable the USB ports so that information cannot be stolen by using flash drives (pen drive), portable hard disks and also memory cards. This is also creating problems for employees. If the file sizes were more than 10 MB then those could not be transferred via e-mail and since the USB ports are disabled, there is no way to transfer those files using portable hard disks or pen drives. In this case, a single file is broken into 2 or 3 files which are not a feasible solution all the time.

As an intern I had to follow certain protocols. Whenever I had to send an e-mail to anyone I had to put my supervisor in CC of the e-mail. Sometimes officials other than the Collaboration Management team used to give me work. Often these works included confidential documents which were not shared with other teams. So they used to ask me not to keep my supervisor in the CC of the e-mail. Now this type of situations used to put me in a difficult position. I was obligated to abide by the rules set by my supervisor. Hence, I used to put my supervisor in the CC of the e-mail all the time which used to make some of the others unhappy who asked me not to share the e-mail with anyone. This proved to be a rewarding learning experience for me in knowing how to deal with people and prioritizing and managing requests.
Chapter 5: Comparative Analysis between Before and After the Merger
Robi Axiata Limited started its journey in Bangladesh in the year 1997 with the brand name ‘Aktel’. Aktel had immense scope of growth and establish itself as one of the top guns in the telecom market alongside Grameenphone. While Grameenphone’s business continued to flourish in size, growth and net earnings, Aktel consistently fell short and became a deterrent brand for many. The company kept incurring frequent financial losses because of its failed strategies. In September 2008, NTT DOCOMO acquired 30 per cent stake in TM International (Bangladesh) Limited, known as Aktel, by directly acquiring all stocks in TMIB held by AK Khan Co Ltd at a cost of $350 million. Before the acquisition, Aktel was in deep financial loss. After the acquisition took place, Axiata Group Berhad and NTT Docomo have implemented new strategies which helped the company to come out of the financial losses and expand its business to become the most dynamic and rapidly-growing telecommunications operator in Bangladesh.

The following pages describe how Aktel became a failed brand and its rise to become a star; Robi.
5.1 Before Merger

In the year 1997 a battle ensued between two aspiring telecom companies in order to win a lucrative market share that would undoubtedly push them to a paramount height. These companies (Aktel and GrameenPhone) each had their own marketing innovation tools to win over the hearts of the customers after the giant Citycell collapsed due to its unsustainable monopoly prowess.

Shareholders

AKTEL, initially a joint venture between Telekom Malaysia and the local AK Khan Group, launched services in 1997 in Bangladesh. Later, the company was renamed Axiata (Bangladesh) Ltd after Japanese NTT DoCoMo bought AK Khan's 30 percent share in AKTEL in 2008. Formerly, it was known as Telekom Malaysia International (Bangladesh) which commenced its operations in Bangladesh in 1997 with the brand name AKTEL. Axiata Bangladesh Limited formerly known as Telecom Malaysia International (Bangladesh) commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Since its inception in 1997, Robi (formerly Aktel), has been providing a wide range of services to the growing mobile telecom market in Bangladesh.

Poor Network Coverage

Network was the most potent “Achilles Heel” for Aktel and as a result, maybe the prime reason for their financial losses and low brand value to occur. The reason for the network being poor is the company was unable to deploy adequate BTS sites where there were now large potential and existing users available. The existing BTS were unable to sustain long range flow of radio-waves which was leading to poor network connectivity problems. Due to restricted network coverage many customers had to shift to a different brand as a substitute.

Mobile Banking Service

AKTEL, a leading cellular service provider, with BRAC Bank Ltd has launched a service titled 'Mobile Banking Service”. The alliance focused on the issues of business relationship between
AKTEL and BRAC Bank through 10 mobile banking services to facilitate their customers. The initiative created a business relationship between the two organizations through mobile banking services such as SMS banking, SMS bill payment services for post-paid and top-up for pre-paid customers, bill collection via bill pay machine and ATM machines, and debit and credit card for AKTEL post-paid customers.

**Fewer Product Offerings**

Aktel had much less product offerings than what Robi has right now. Aktel had hardly 3-4 product offerings. The packages were not really well-defined or well-targeted as well. Moreover, these packages could not be related to our culture or heritage any way like those of Robi’s can be done.

**Corporate Social Responsibilities**

In recognition of its CSR effort, Aktel is the first among all mobile phone operators to win the 2006 Standard Chartered-Financial Express Corporate Social Responsibility award. Aktel has established a tradition of providing scholarships every year to three promising individuals to complete their higher studies at the Multimedia University in Cyberjaya, Malaysia. To provide world-class teaching and learning resources for Bangladeshi professionals, Aktel joined hands with Chittagong Skills Development Centre (CSDC), Underprivileged Children’s Educational Programs (UCEP-Bangladesh), and so on. Aktel also united with Anjuman-Mufidul-Islam, a 100-year-old civic organization, in distributing bedding and clothing to the underprivileged people of the city, including in orphanages and amongst slum dwellers. Aktel also took the initiative in executing various activities at the Bishwa Estema, the second largest Muslim gathering in the world after Holy Hajj, in which millions of people gather from different parts of the world to participate in this pilgrimage. Among the initiatives was the provision of primary aids to the pilgrims through free medical check-ups by a team of certified doctors at the Aktel voluntary medical service point. Aktel also served free pure drinking water for the pilgrims of Bishwa Estema (Williams, 2011)
**Infrastructure Sharing**

Aktel signed an agreement with Warid Telecom (which is known as Airtel Bangladesh now) for sharing infrastructure. This deal was in line with the norm laid out by the Bangladesh Telecommunication Commission (BTRC) pertaining to sharing. It allowed the two service providers to share tower infrastructure to establish GSM and microwave antennas. (Pan, 2009)

**Organogram**

Before the merger, the Organogram of Aktel was a lot different than what it is today. Aktel had a vertical organizational structure. There were about 7-8 layers of employees in the organization structure. Vertical companies are dependent on a strong leader at the top. Organizations that implement a vertical functional structure often become distracted from pursuing financial goals. Departments develop a narrow view of the organization, mistaking their singular goals as more important than the organization’s goals. Vertical functional structures require considerable effort to maintain power and balance. The more levels in the hierarchy, the less decision-making power rests at the top of the organization. In larger organizations this structure creates boundaries between departments that present a challenge for disseminating information to multiple areas.

**Central Procurement Unit**

Before the merger there was no supply chain management department in the company. Instead there was a department named Central Procurement Unit for all the procurements of the company. There was a lack of transparency in this department and because of that there was corruption in the department. Some employees bought assets (for example, land) in their own name with the company’s money. Supply Chain Management (SCM) is considered as an essential element to operational efficiency. It is vital for gaining customer satisfaction and company’s success.
**No Guiding Principles**

The company did not have any guiding principles before. Guiding principles are important for a company because these guide an organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management. Also, these helps to identify and clarify standards of corporate responsibility and accountability for businesses and human rights.

**Niche Market Strategy**

Aktel’s target market was mainly the urban population of Bangladesh. They used to concentrate all their marketing efforts on this small but well-defined segment. Their aim was to design and deliver packages to this particular segment in order to survive competition among the other telecom companies. Since the concentration was mostly on urban population, the company’s BTS sites were strategically concentrated only in the urban areas. This means if customers wanted to stay connected with their dear ones outside of urban areas or the rural outskirts faced very poor experience with Aktel. This meant that the customers needed to stay within the city areas in order to stay connected while outside the urban areas meant that the network service would be dim for no service at all. This showed that Aktel’s niche marketing strategy through this planning process was strategically flawed to begin with.

**Liquidity Crisis**

For a single business, a liquidity crisis occurs when the otherwise solvent business does not have the liquid assets (i.e., cash) necessary to meet its short-term obligations, such as repaying its loans, paying its bills and paying its employees. Before the merger, the company used to have frequent liquidity crisis. During 2008, the crisis reached to such a state that the company had to take short-term loan from banks to pay the salaries of the employees. The company had a very insolvent working capital. Working capital is required to pay the day to day revenue expenditures. If the company fails to pay in time, for example if the salaries are not paid in a timely manner then employee’s morale and productivities will be hampered. The company also has to pay rent for the outlets, BTS sites and also there are expenses of fuel, generator, electricity
bills, advertising, marketing expenses, sales and distribution costs. All of these expenditures are tied up to pay the salaries. These expenses are productive and needed expenditures. But, if the revenue that has been generated is not enough to meet up the expenses then the business is going down. It is a sign that this state needs to be improved. Taking loan does not solve a problem in the long term.

**Brand value**

Brand value of Robi Axiata Limited was much lower than what it is now. The company had lower customer loyalty, inferior customer service and poor brand perception among its customers. The company was unable to deploy adequate BTS sites where there are now large potential and existing users available. The existing BTS were unable to sustain long range flow of radio-waves which was leading to poor network connectivity problems. All these factors led to a low brand value of the company.

**Imperfect Channel Distribution:**

It was also seen that many distributors, especially in the rural areas, chose not to distribute Aktel’s SIM, Scratch Card and Load Services even though there were BTS sites established (therefore network coverage available) in those regions. This is perhaps due to perception and lack of information. Also there are distributors who tend to expand to other locales in the rural areas where the BTS site was not established. This again leads to poor perception regarding Aktel’s network.

**Uncooperativeness of Retailers**

As customers hold the perception of poor network, many retailers found it hard to sell sufficient SIM and Scratch Cards, which trickled down to low market share and revenues for Aktel. Moreover, Aktel’s marketing campaigns were ineffective to entice its target markets and it also failed to provide effective incentives to its retailers in comparison to GrameenPhone which compelled the retailers to opt for GrameenPhone (and later on Banglalink) compared to Aktel.
5.2 After Merger

The formation of Robi has been a huge boost to its market stronghold. It is now a brand which does not only have the strongest network and the best arsenal of VAS on its disposal, but with its strong ad campaigns and public relations, it has now become a strong brand with a promise for a better tomorrow.

In September 2008, NTT DOCOMO acquired 30 per cent stake in TM International (Bangladesh) Limited, known as Aktel, by directly acquiring all stocks in TMIB held by AK Khan Co Ltd at a cost of $350 million. After the acquisition took place, Axiata Group Berhad and NTT DoComo have implemented new strategies which helped the company to come out of the financial losses and expand its business to become the most dynamic and rapidly-growing telecommunications operator in Bangladesh.

The following pages describe the changes that took place after the merger happened:

Shareholders

Robi Axiata Limited is one of the leading mobile telecom operators in Bangladesh. It is a joint venture company between Axiata Group Berhad of Malaysia and NTT DoCoMo Inc. of Japan. Robi commenced operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name ‘Aktel’. With its strong network and seamless connectivity, Robi is empowering more than 24 million people across the country. (Corporate)

Axiata Group Berhad

Axiata is an emerging leader in Asian telecommunications with significant presence in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia. In addition, the Malaysian grown holding company has strategic mobile and non-mobile telecommunications operations and investments in India, Singapore, Iran, Pakistan and Thailand. Axiata Group Berhad, including its subsidiaries and associates, has approximately 120 million mobile subscribers in Asia, and is listed on Malaysia’s stock exchange (Bursa Malaysia). (Shareholders)
**NTT DOCOMO INC**

NTT DOCOMO INC is the world's leading mobile communications company and the largest mobile communications company in Japan. DOCOMO serves over 56 million customers, including 44 million people subscribing to FOMA™, launched as the world's first 3G mobile service based on W-CDMA in 2001. DOCOMO also offers a wide variety of leading-edge mobile multimedia services, including i-mode™, the world's most popular mobile e-mail/Internet service, used by 48 million people. With the addition of credit-card and other e-wallet functions, DOCOMO mobile phones have become highly versatile tools for daily life. On May 2013, the company announced that they have decided on diluting its shares in the company from 30 percent to 8 percent. (Shareholders)

**Re-branding**

On 28 March 2010 the company re-branded itself and started its new journey with a new brand name Robi. As Axiata (Bangladesh) Limited started their journey in Bangladesh under the brand name Aktel and did its re-branding under the new brand name Robi, it is essential to understand about the terms Branding and Rebranding. (Pori)

**Branding**

A brand is a name, term, sign, symbol or design or a combination of these intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of the competitors. Therefore, it makes sense to understand that branding is not about getting the target market or consumers to choose the marketer over competition, but it is about getting the marketer to see as the only one to provide a solution for the consumer’s problems. Branding now has become a common term used in marketing. It is essentially burning the company or website name or slogan into the minds of potential customers. (Pori)

**Rebranding**

Rebranding is a process by which a product or service developed with one brand, company or product line affiliation is marketed or distributed with a different identity. This may involve
radical changes to the brand's logo, brand name, image, marketing strategy and advertising themes. These changes are typically aimed at repositioning of the brand or company, sometimes in an attempt to distance itself from certain negative connotations of the previous branding or to move the brand up market. However the main reason for rebranding is to communicate a new messages for a company something that has evolved or the new board of directors wish to communicate. Rebranding can be applied to new products, mature products and even products in development. The process can occur intentionally through a deliberate change in strategy or occur unintentionally from unplanned and emergent situations. (Re-branding the Right Way, 2007)

Were people well informed?

The company rebranded itself with the name “Robi” and changed their target market from the urban population to the mass population including the rural population. Hence it was crucial to let the target population know about this rebranding. At that time Robi was the third largest telecommunication service provider company of Bangladesh, a major proportion of the people were aware of Robi. Also, Robi was one of the first few companies to enter the vastly prospective telecommunication sector of Bangladesh and is well reputed among the customers compared to other telecommunication service provider companies like Banglalink, Citycell, Teletalk, Airtel Bangladesh etc. Moreover, a vast majority of mobile phone users of the country knew about this company. In addition, at that time the company’s market share was about 20% of the total market size indicating that a significant portion of the market was well informed about the company.

A large number of people came to know about the rebranding from the television commercials, billboards, hoardings, newspapers and from word of mouth.

Advertising effectiveness

Advertising is a form of communication intended to persuade an audience (viewers, readers and listeners) to take some action. It includes the name of a product or service and how that product could benefit the consumer, to persuade potential customers to purchase or to consume that particular brand. It can also serve to communicate an idea to mass amount of people in an
attempt to convince them to take a certain action. (Advertising Is A Form Of Communication Marketing Essay)

Advertising Effectiveness is an evaluation of the extent to which a specific advertisement or advertising campaign meets the objectives specified by the client. The effectiveness is commonly gauged by measuring the effect on sales; brand awareness, brand preference etc. Similar to any other telecom operators in Bangladesh, Robi has also undertaken massive advertising activities after its rebranding. It focused on four different types of media including TV channels, radio, billboards and newspapers.

Robi performed advertising activities on all TV channels, both on BTV, the national TV channel as well as other private owned TV channels. The company also did advertising on the radio including Radio Today, Radio Foorti and Radio Amar. Moreover, the company did massive branding and advertising through billboards in important locations of Dhaka and Chittagong. As far as newspaper advertisements are concerned, Robi’s advertisement can be found in all well-known newspapers.

In target market for telecommunication industry in Bangladesh, young generation is the most aware and enthusiastic segment because they have lots of friends to keep in touch with and so much to talk about. Many of them use multiple SIM cards from different mobile operators as to enjoy the lower rate, more FNFs, to talk more and thus naturally they are very aware of the activities undertaken by telecom companies in order to better manage their talking needs by minimizing costs. This young generation is really a very interesting segment for the telecom companies and they know it very well which is easily observed by their heavy marketing activities and campaigns just for this group. Robi has launched its advertising campaign after rebranding by targeting the emotion and cultural bondage of the people with this land. They have chosen to specify the meaning of their advertisement in Bangla so that it can easily be understood and help the company to create a connection with the customers on a deeper emotional level. Another noticeable fact is that they have focused on the rural parts of the country in their new TV advertisements as after rebranding they aim to center the rural market as their main area of attention.
The launch of 3.5G services

On October 31, 2013 Robi Axiata Limited officially announced the launch of 3.5G services for its customers at select areas of Dhaka, Chittagong and Sylhet. With Robi 3.5G technology, Robi customers are able to enjoy ultimate online experience browsing, viewing multimedia content, playing games and file downloads on the move. Robi actively rolled out its 3.5G network through phased commercial launches across the country and has introduced attractive and affordable data packages for customers. Robi Axiata Ltd. has acquired 5 MHz of 3G-spectrum in an auction arranged by BTRC. The spectrum, which is part of the 2100 MHz-band, will enable Robi to further expand and develop its position in the market with innovative data packages via 3.5G-platform. (Robi 3.5G commercial launch for customers, 2013)

3.5G Internet Mela

Robi Axiata Limited, in partnership with multiple government ministries, launched the Robi 3.5G Internet Mela right after the launch of Robi’s 3.5G services. The 3.5G Internet Mela, which was the first private-public partnership (PPP) initiative of its kind, with support from the Ministry of Information and Communication Technology (MoICT), the Ministry of Information and the Ministry of Health & Family Planning, covered 500 colleges in 429 thanas across Bangladesh. (Robi launches 3.5G internet mela across the country, 2013)

The objective of the internet fair was to build awareness on internet services among the community and help transform the country into a knowledge based economy. It was hoped that the Robi 3.5G Internet Mela will help enhance ICT literacy by providing internet accessibility and availability for students to promote the internet as a tool to gather knowledge and encourage a culture of learning through the Internet for the youth.

Moreover, there was health camp, through which visitors received a free health check-up, and a MoICT corner through different landmark MoICT initiatives were communicated to visitors. The Robi 3.5G Internet Mela also featured a ‘Teachers Parents Advocacy’ booth for students and teachers where they were briefed on Robi products and services, and an HR Consultancy booth
run by Prothom Alo Jobs at select locations to collect CVs from interested students and advise on how to apply for jobs.

The Robi 3.5G Internet Mela was held at each of the 500 college fields and featured experience booths for the visitors to experience the internet for themselves. Through this fair youth across every single thana of the country was able to access the internet and experience the power of data connectivity. As a thought leader Robi sees the 3.5G Internet Mela as a precursor in generating greater interest about the internet among the youth of this country.

**Target customer of Robi**

Robi is one of the most well reputed telecommunication service providers of Bangladesh. Like any other company in the telecommunication market, Robi’s prime focus is its customers. The company aims to gain the end customers’ satisfaction by providing end to end quality service and superior value. Majority of the mobile phone users are located in urban area. There is a huge segment which is situated in semi urban and rural areas of the country. Robi came up with its new name which is a Bangla word to capture this rural area of the country. As the name is a Bangla word it is evident that the company is aiming at aligning its services with local culture and tradition. The word ‘Robi’ was apparently chosen as it carries a range of meanings representing the emotional and cultural bonds of Bangladeshis. As Bangladesh’s future telecom market will be rural-based, identification with a Bengali word is expected to add value.

*Improved and attractive packages*

With its new outlook, Robi Axiata Limited empowers its customers with various befitting products and services. The products are simple, easy to understand and straight forward. The customers have the power to choose whichever suits them best from a variety of affordable services including reduced call rates, multiple bill plans, flat rates etc.

The company’s improved customer service benefits customers as it is dedicated to resolve any problem at the earliest convenience. The company has a wide reach with 100,000 plus recharge
points, more than 26000 SIM card selling points, more than 450 service points and 24-hour call center – all that ensure easy accessibility.

*Strengthening Network Coverage*

In order to attract large number of customers, the company focuses on innovations, strengthening network and considering affordability. Currently the company has 20 million subscribers. The company holds a market share of 20% with geographic network coverage of 80% and population coverage of 86%. The company has plans to make further coverage expansions in the near future.

*Better and improved network coverage*

The company is committed to continuously improve its network coverage and quality in order to ensure its presence wherever the customers are so that they can enjoy un interrupted service. The company has invested 117M USD in 2009 and plans to invest more in the future.

*Positioning Strategy*

A positioning strategy is one of the most important parts of promoting a rebranded company. As the company has rebranded itself from Aktel to Robi it needed to come up with a all new positioning strategy. Previously, when it used the brand name Aktel, the company focused on the urban parts of the country. Conversely, with its new brand name Robi, the company aims to penetrate the untapped rural market of the vastly potential telecommunication market. After rebranding the new positioning message of Robi is *Apner Shakti Apner Shathe, Jole Uthun Apon Shakti Te*. This means that every person has their own power, light strength and they should spread the strength.

*Focus on Local Culture and Heritage*

Robi is a truly people-oriented brand of Bangladesh. Robi, the people’s champion is there for the people of Bangladesh, where they want and the way they want. With the local tradition at its core, Robi marches ahead with innovation and creativity.
The transformation of the brand from Aktel to Robi came into effect from the dawn of Sunday, March 28, 2010 after unveiling of the new logo and branding at a colorful ceremony in Suhrawardi Uddan in Dhaka. Celebrations took place in Dhaka, Chittagong and all over the country to mark this historic transition. The company launched its branding campaign in Bangladesh Mela at more than 70 spots across the country on 27th March where renowned local singers and bands performed until the next day.

The thematic process of the rebranding process is based on the rich, vibrant culture and heritage of Bangladesh. Through this transformation the company wants to develop a emotional link with the people of this country.

By changing its name to a Bangla word, the company aims to align its services to local culture and tradition. The word has been chosen as it carries a range of dominant meanings of emotional and cultural bondage of the people of this land. Robi brings the first gleam of light that shows us the day; Robi is the symbol of harvest that brings satisfying smiles on the faces of the farmers; Robi, meaning sun, is the source of energy that vitalizes agriculture, weather and life everywhere. The word Robi is also very familiar to all Bangla speaking people as it is in the Bengali name of their pride poet, Rabindranath Tagore.

The company aims to develop a link with the culture and roots of this nation. The cultural heritage of Bangladesh is very rich and has always had positive impacts upon social and economic activities. Therefore, the company chose the Bangla word ‘Robi’ as its identity. The company promises to remain beside the people of Bangladesh as they want and incorporate Bangla in all facet of its work.

In Bangladesh, telecommunication sector witnessed massive development during the last decade, mainly due to the penetration of mobile telephony. However, there remain enormous opportunities for further growth as the economic indices grow correspondingly. As the main thrust of development will be rural-based, identification of the name with a Bengali word is expected to add significant value.

In order to boost its presence and market share, it has embarked upon this transformation endeavor to tap the possibilities to grow and at the same time contribute to the socio economic
development of the country. In its new outlook, Robi is deemed to ensure greater customer satisfaction by offering quality services.

*Changes in Organogram-Flat Organization*

Before the merger, Robi had a vertical organizational structure. There were about 7-8 layers. But right after the merger in 2008, with the help of a global management consulting firm named Hay Group based in Philadelphia, Pennsylvania Robi Axiata did its de-layering process which turned the company into a flat organization. The organogram is much simpler now. The flat organization model has promoted employee involvement through a decentralized decision-making process in the company. By elevating the level of responsibility of baseline employees and eliminating layers of middle management, comments and feedback reach all personnel involved in decisions more quickly. This helped to save on employer costs, decrease employee turnover and increase profit margin.

*Introduction of new departments*

After the merger in 2008, Robi Axiata has formed several new departments which are described below:

*Supply Chain Management*

The Supply Chain Management Department is responsible for all Purchase and Logistic activities of Robi. This department was created in late 2009 right after the merger. Robi aims to provide cost-effective quality cellular services in Bangladesh. To meet this goal, Robi is constantly developing network and services. Robi reinvests a huge portion of its earnings for the improvement of its network services. Besides collecting the network equipment, Robi needs to procure varieties of things from different parties. For all these procurement, all the departments contact with the Supply Chain Management Department. The Supply Chain Management Department falls under the Finance Division. The Head of SCM reports to the Chief Financial Officer (CFO) of Robi.
Scope

- Responsible to guide, administrate and supervise as well ensuring supply chain management departmental activities & its staffs to optimum level.
- Ensure achieving company objectives that are aligned with the BP and also to develop, recommend and implement strategies for SCM.
- Procurement, distribution goods and services to meet Robi requirement as well as disposal of scraps.

Supply Chain Management Key Performance Indicator

- Develops supply chain strategy that supports and meets company strategy.
- Maintains routines to ensure in-time delivery of supply of goods and/or services in a cost efficient way.
- Minimizes company risk and maintains compliance in terms of all kinds of regulatory as well as internal policy/procedure.
- Ensures accuracy in terms of complex RFQ/RFTs (Request for quotation), proposals and contracting requirements.
- Develops appropriate risk mitigation strategies.

Digital Services

Robi Axiata formed a new division called “Robi digital services in late 2012, primarily to serve the digital needs of its customers and to assist the underprivileged people of the country who have no access to formal banking facility. The division is equipped to deliver services in digital arena mainly Bid Data, digital money, digital advertisement, digital commerce, M2M etc. In 2013, Robi digital services significantly worked on the digital money to boost the growth of mobile money industry in Bangladesh. Digital money activities include partnership with multiple Mobile Finance Services (MFS) for their network connectivity to their agent network requirements. Also, foreign remittance payout services have been introduced, wholeheartedly serving Bangladeshi migrant worker’s families.
**Business Partner**

Robi Axiata Limited formed this new department in 2011 in order to determine the feasibility of any project. Whenever any new project plan is proposed, this department makes a business case. A business case captures the reasoning for initiating a project or task. It is often presented in a well-structured written document, but may also sometimes come in the form of a short verbal argument or presentation. The logic of the business case is that, whenever resources such as money or effort are consumed, they should be in support of a specific business need. An example could be that a software upgrade might improve system performance, but the "business case" is that better performance would improve customer satisfaction, require less task processing time, or reduce system maintenance costs. A compelling business case adequately captures both the quantifiable and unquantifiable characteristics of a proposed project. (Business case, 2014)

Based on the business case the department does NPV (Net Present Value) analysis, IRR (Internal Rate of Return) and payback period calculation. Basing on all these analysis a final decision, whether to accept or reject the project is taken.

**One Stop Service (OSS)**

Robi Axiata Limited has created the One Stop Service Department for the purpose of Invoice Clearance. Previously, vendors used to come by Robi corporate office and call up the finance department for the payment. Sometimes the vendors had to wait for the whole which was both time consuming and an inefficient process. After the launching of this department, the whole payment process has become much easier for both the parties. Now, vendors send payment to One Stop Service. If the vendors have to collect a cheque, then they just call up OSS to know whether the cheque is ready or not. This beneficial process is saving valuable times for both the parties and also increasing efficiency in the payment process.

**Integrated Planning**

Robi Axiata Limited launched the Integrated Planning department under Finance division for the purpose of allocating and distributing CAPEX. CAPEX are used by a company to acquire or upgrade physical assets such as equipment, property, or industrial buildings. If the Integrated
Planning department decides that capital expenditure is necessary and approves of it then the company goes for CAPEX. On the other hand, if this department does not approve of a CAPEX proposal, then the company will not go for CAPEX.

*More OPEX, Less CAPEX*

From income tax perspectives, Robi Axiata Limited typically prefers OPEX to CAPEX. Rather than buying equipments or any assets, the company prefers to lease it from a vendor for few years. This is because buying equipment is a capital expense. So even though the company pays for example, $800 upfront for the equipment, it can only deduct about $250 as an expense in that year. The advantage of being able to deduct expenses is that it reduces income tax, which is levied on net income. Another advantage is the time value of money i.e. if the cost of capital is 5% then saving $100 in taxes this year is better than saving $104 in taxes next year. Capital expenditures tend to be major investments in goods. Operating expenses are tax deductible, whereas capital expenditure is not. Capital investment is limited. Therefore, the company directs their investment toward revenue-generating activities. Combined with management, it provides the infrastructure and administration for a predictable monthly fee, and allows focusing on core tasks. This is why Robi prefers to lease rather than purchase. This is because they don’t want to tie up their precious capital.

*Off-balance sheet financing*

Robi Axiata Limited often uses off-balance-sheet financing to keep their debt to equity (D/E) and leverage ratios low. Examples of off-balance-sheet financing include joint ventures, research and development partnerships, and operating leases (rather than purchases of capital equipment). Borrowing more may increase the company’s leverage ratios, causing agreements (called covenants) between the borrower and lender to be violated. If a company uses an operating lease, capital is not tied up in buying the equipment since only rental expense is paid out.

*Increased Brand value*

The market segment tends to subconsciously assess how valuable a company’s brand is to them and this leads to the formation of opinions which in turn defines their experience with the related
brand. The brand value of Robi Axiata Limited has gradually gone high in the recent years. Brand loyalty among the customers has gone up. Robi Axiata is providing improved and good customer services which have increased brand loyalty among its customers. The company has also invested a lot of money to improve its network so that the customers don’t have to experience call drops or bad quality in voice calls. All these factors are contributing in the increase of the number of customers and are the main reasons for the increase of Robi Axiata’s brand value.

**BICL for Network Infrastructure and Maintenance**

On October 2012, Robi Axiata set up a new concern to provide support to its back-up equipment as part of its efforts to improve the overall quality of its service. Robi Axiata has more than 8,392 base transceiver stations across the country. A dedicated division was essential to maintain all these stations. BICL was later renamed Edotco Bangladesh Co Ltd. in 2013. The company is now a part of the e.co Group, which is a newly formed operation within the Malaysia, based Axiata Group, owner of the Robi network. The company began as a subsidiary of Robi but now it is independent and will do business separately. The company has bought the passive networking infrastructure of Robi at a price tag of $145 million. (Mamun, 2013)

**Initial Public Offering (IPO)**

Robi Axiata Limited has plans for going public in the next 2-3 years by issuing IPO. An initial public offering, or IPO, is the first sale of stock by a company to the public. A company can raise money by issuing either debt or equity. If the company has never issued equity to the public, it’s known as an IPO. Public companies, have sold at least a portion of themselves to the public and trade on a stock exchange. This is why doing an IPO is also referred to as "going public."

In order to apply for IPO, the company must have consecutive three years of profit. In order to increase profitability Robi Axiata is going for more off-balance financing than before. The company is minimizing CAPEX and increasing OPEX. Off balance sheet financing reduces risk as the company is not taking loans to buy assets rather leasing those. This ultimately increases the annual revenue.
**Increased profitability**

A strong growth in subscriber base, subsidy reduction in new subscriber acquisition, cost reduction in network expansion and efficient management have led to enhancement of the company’s profitability. (Robi's net operating profit whoops 301pc in 2013, 2014)

Net operating profit of Robi Axiata Limited has jumped to 301 percent in 2013 compared to 2012, for taking cost effective measures in different segments. Robi was able to overcome market slowdown in 2013 and achieved considerable growth in all financial and market matrices. The company has made net profit of Tk 3.65 billion in 2013 which was 0.91 in 2012, according to its financial performance. Robi Axiata’s total revenue earning increased by 16 percent from Tk 38.9 billion 2012 to Tk 45.2 billion in 2013. However, in fourth quarter (Q4) of 2013, its revenue dipped by 6 per cent to Tk 11 billion from Tk 11.7 billion in Q3, largely due to adverse externalities experienced during the period. Profit after tax was completely wiped out in the last quarter of 2013. The quarter in fact counted Tk 1 crore in losses, due to a drop in EBITDA (earnings before tax, depreciation and amortization) and higher depreciation and investments in network expansion. EBITDA dropped 38 per cent to Tk 2.9 billion in Q4 from Tk 4.7 billion in Q3, primarily due to revenue fall, increased operational expenses and 3G-related costs. (Robi's net operating profit whoops 301pc in 2013, 2014)

**Changed market scenario**

At present, voice market of Bangladesh is becoming stagnant while the data market is booming. Voice revenue is flattening out whereas the data market growth is really very fast in Bangladesh. Web browsing, video streaming, and e-mail accounted for the majority of Smartphone data usage. It may be mentioned that more than half of the web browsing and video streaming data usage takes place outside of the home on a mobile network. Robi Axiata Limited is very optimistic about the current data growth in the country. The company is taking measures to take proper advantage of this changed market scenario by offering attractive internet packages and really good internet service. Robi Axiata is hoping that their diversified and attractive device and data offerings will take data growth to a new level.
**Improved Base Transmitting Station**

Robi has further improved its Base Transmitting Station (BTS) distribution and enhanced network, capacity and coverage. Geographical coverage has increased to 89% with population coverage increasing to 98.7%. The total number of Robi BTS stands at 9,025 at the end of Q2 2013.

**Axiata Intelligence Unit (AIU)**

The system, Axiata Intelligence Unit (AIU), will look into parameters as deep as what type of handset a customer is using to judge the experience. There are many handsets that may not provide the customer with the best experience, even in optimum network conditions. In addition to the device, there are six other parameters, such as service, location, subscriber segment, mobility, profiling or demographic and technology that allow an engineer at the AIU to identify where and in which segment performance is weak or the worst. For example, if a subscriber is using a low-quality device, the parameters will identify it as the reason for poor service performance. In addition, at peak hours when many people are online or the subscriber is at a location is weak, the operator will know the reasons drawback. In response, the AIU engineers report back with recommendations to the management to improve services in that particular area, he added. (Chowdhury, 2013)

**CEM quality solution**

In late 2013, Robi Axiata Limited introduced a new quality maintenance solution by to ensure better service for its customers in receiving data and the overall quality of calls. Customer Experience Management (CEM) solution will help Robi Axiata to monitor service quality across the country live. Monitoring of service quality is done in every five minutes, which might as well be live. The service is helping Robi Axiata to reduce call-drops and speed up the data service. Service related problems are detected before they are reported by the customers from Dhaka and also from Kuala Lumpur. The CEM solution is expected to deliver active Quality of Experience (QoE) by collecting, correlating and graphically presenting, in real-time, a broad array of transactional performance and service quality data from Robi’s networks. (Islam, 2013)
Co-branded credit cards

As a New Year gift for subscribers, Robi Axiata Limited, the leading mobile phone operator in the country, has introduced a co-branded Visa credit card, jointly with Eastern Bank Limited (EBL). The co-branded card is the first of its kind in the Bangladesh telecom industry. (Robi brings co-branded credit cards, 2014)

Valued Robi Udoy postpaid customers can enjoy this facility, which will create a synergy between subscribers, EBL and Robi. The strategic alliance is in line with Robi’s endeavor to reward its customers and win loyalty through pioneering product offerings. The Robi-EBL co-branded VISA credit card is being offered in two variants – Platinum and Gold. Users of the card will receive a 5% discount on their monthly local voice call postpaid bill as well as a free international roaming subscription. The Robi-EBL card does not have an issuance fee and the annual fee will be waived on 18 transactions in the year. (Robi brings co-branded credit cards, 2014)

The Robi-EBL Platinum card holder will have free access to the Balaka Lounge at the Hazrat Shahjalal International Airport (HSIA) and the EBL Sky Lounge which will be inaugurated soon at HSIA, as well as free enrolment in the EBL Sky Miles program. New card subscribers will receive a free Robi-Udoy post-paid connection, if they do not have one, among many other benefits, including discount at more than 100 leading outlets in the country as well as discounts at over 200 Golf Clubs and 3,500 Hotels worldwide. Robi-EBL card users can also enjoy online booking facilities and discounts on Agoda, the largest online hotel booking site. Interested patrons can pick up registration forms from any Robi Walk in Centre (WIC), or EBL Branch. (Robi brings co-branded credit cards, 2014)
Memorandum of Understanding (MoU)

**UNDP UPPRP project**

Robi Axiata Limited has signed a MOU with UNDP UPPRP project at UPPRP Head Office today, 28th November 2013.

UNDP UPPRP is the biggest project in the world focused on reducing poverty by mobilizing urban poor communities to form representative and inclusive groups that identify, prioritize and address the settlement, economic and social problems they face every day. (Robi Digital Services signs MoU with UNDP UPPRP Project, 2013)

Robi Axiata Limited is providing 2700 SIMs free-of-cost to UPPRP grant beneficiaries on a pilot basis at Tangail & Savar City Corporations. Under this arrangement all UPPRP grants will be transferred through DBBL Mobile Banking to beneficiaries Robi m-wallet. Thereon the beneficiary may withdraw funds at UNDP Community Resource Center (CRC) which be converted to Robi Cash Points. Robi Digital Services support the Ministry of LGRD and UNDP through innovative solutions and quality service for the recipients of the project. These Robi Cash Points will also have Easyload facility and avail more M-money services like International Remittance and Utility Bill Payments in the future. (Robi Digital Services signs MoU with UNDP UPPRP Project, 2013)

**Marie Stopes Bangladesh**

Mobile phone operator Robi Axiata Limited and Marie Stopes Bangladesh have signed an MOU at the Robi Corporate Office in Gulshan yesterday on 24th Nov 2013. The agreement was signed to facilitate empowering the Female Community Support Group (FCSG) members of Marie Stopes Bangladesh, located in rural areas of Bangladesh. (Robi signs MOU with Marie Stopes Bangladesh, 2013)

**ACCA Bangladesh**

Robi Axiata Limited and ACCA Bangladesh signed a Memorandum of Understanding (MoU) for internship opportunity of the ACCA students. Under the agreement, students of ACCA Bangladesh may complete an internship at Robi. Robi is trying to build a world class working
environment to match its workplace transformation initiative. Our group company, Axiata Berhad, is working for talent development for Asia. As part of it, Robi is developing its talents for Bangladesh. (Robi signs MoU with ACCA Bangladesh, 2013)

**Shahjalal University of Science & Technology**

Robi Axiata Limited and Shahjalal University of Science & Technology signed a Memorandum of Understanding (MoU) for internship by students of the university. Under the agreement, students of Shahjalal University of Science & Technology may complete an internship at Robi. The reason behind this agreement is that Robi is trying to build a world class working environment to match its workplace transformation initiative. Their group company, Axiata Berhad, is working for talent development for Asia. As part of it, Robi is developing its talents for Bangladesh.

**Robi Day Care Centre**

Robi started its day care facility with the intent of providing employees with a conducive work environment, by caring for their little ones in a nurtured and safe environment while they are at work. (Caring with care - Robi Day Care Centre, 2013)

The Robi Day Care center is located close to the Robi Corporate Office. Parents drop their children before coming to the office and collect them by 6 o’clock in the evening. Under the care of 10 nannies and three teachers, parents are ensured that their offspring get enough attention and care. The Center provides child care with an emphasis on a child-friendly learning environment. A professional day care service provider has been assigned to manage the facility. Children of six months to six years of age are taken care of with customized activities so as to build on their social interaction skills and learning agility.

In a relaxing environment of brightly colored rooms, children are groomed with care into a disciplined routine. At 9.30 am, all the children sit together for breakfast. This is followed by a half hour nap time from 10.30 am, after which the children are given healthy snacks. The children then go to the playroom to play together.
The teachers teach a lot of pre-school activities, like coloring, pasting, rhymes, alphabets and numbers. These activities serve as an additional support in supplementing the child’s education. The children’s art works are pinned on boards – which gives the crèche a personal touch and makes it more inviting for the children.

The children are taken one by one to be bathed. By 1 pm, everybody has had a bath and ready for lunch. The children are required to have a nap after lunch, where the teachers and nannies read out story books to lull them to sleep. After some healthy snacks in the evening and some more play, they are finally picked up by their parents at 6 pm.

Besides assuring the employees a safe and learning environment for their children, Robi Day Care provides the children with socialization opportunities - as they are all exposed to children from different backgrounds. Such opportunities encourage the children to mingle and make friends easily – a trait which is indispensible in today’s world.

This facility is available for children of every Robi employee. To avail this wonderful service, Robi employees are not required to pay any fees. It is a company initiative to support employees in balancing work and family life. Caring with care, Robi Day Care Centre nurtures the employees’ children in a learning environment, equipping them for tomorrow.

**Online photography school**

Robi Axiata Limited has launched the very first online photography school on the Robi Facebook page (https://www.facebook.com/RobiFanz) from 14 November 2013. The campaign, titled “Robi Photo School,” is being run in association with eminent photographer and founder of Drik Gallery, Shahidul Alam. (Robi launches first online photography school, 2013)

The completely online campaign comprised of short video tutorials by Shahidul Alam offering tricks and tips on photography. Each video had a separate theme e.g. Portrait, Street photography, Daily life, Landscape, etc. Following each video on the Robi Facebook page, Robi Facebook fans were invited to upload their own photos taken using the technique taught, in the comment section. The photos were then transferred into an application through which
participants could gather votes. At the end of the campaign, the photographs were displayed at a special exhibition at Drik Gallery in Dhanmondi.

**Extreme Fast Wi-Fi Internet Facility**

On July 2013, mobile phone operator Robi Axiata Limited brought high speed Wi-Fi internet service for its subscribers. This initiative of Wi-Fi services by Robi is considered a milestone in the area of mobile internet services. Robi always looks for innovative ways to meet their customers’ expectations. By providing high speed internet facility at an affordable cost Robi aims to open doors of opportunity for the youth to use internet more effectively and bring in new developments in the digital arena. Initially, Robi Wi-Fi hotspots were offered in selected areas in Banani and Dhanmondi. Later the hotspots were offered in more areas. With this Wi-Fi internet service Robi subscribers are able to connect to Robi Wi-Fi hotspots and can enjoy e-mail, instant messaging, browsing the internet, social networking, use apps or any other standard internet utility via their Wi-Fi-enable devices (i.e. mobile, laptop, Tablet) with a speed up to 1 Mbps. Robi subscribers have the convenience of buying the packages by simply sending an SMS and will receive a return SMS with username & password to log in to the Robi Wi-Fi portal. (Robi brings extreme fast WiFi internet facility, 2013)

**Automated Self-Service Recharge Machines**

For the first time in Bangladesh, leading mobile phone operator Robi Axiata Limited introduced automated self-service recharge kiosk machines for its pre-paid customers on 11th July 2013. With the help of these machines, Robi customers can easily refill their pre-paid connections, providing them with an efficient and quick alternative recharge channel for the first time in Bangladesh. This easy pay recharge solution is another step to create convenience for Robi Axiata’s customers. It is a quick and easy option to top-up and one in which the customer has ultimate control and self-assurance in the process.
Mobile Financial Services

On July 2013, Trust Bank Limited and Robi Axiata Limited signed an agreement for Mobile Financial Services. Under this agreement, Robi acts as a facilitator for distribution network & Unstructured Supplementary Service Data (USSD) provision for Trust Bank Mobile Money Service. Robi Axiata believed that this initiative will strengthen Robi's commitment to its customers as more mobile financial outlets will make mobile banking even more convenient. This initiative of Mobile Banking Agreement is a milestone in the area of Mobile Financial Services. It has immense potential in Bangladesh to reach the unbanked communities using USSD, SMS channels to facilitate the last mile banking for financial inclusion with convenience, security and affordability service. (Trust Bank and Robi sign agreement for Mobile Financial services, 2013)
Chapter 6: Ratio Analysis
6.1 Liquidity Ratio

Liquidity ratios are the ratios that measure the ability of a company to meet its short term debt obligations. These ratios measure the ability of a company to pay off its short-term liabilities when they fall due. The liquidity ratios are a result of dividing cash and other liquid assets by the short term borrowings and current liabilities. They show the number of times the short term debt obligations are covered by the cash and liquid assets. If the value is greater than 1, it means the short term obligations are fully covered. Generally, the higher the liquidity ratios are, the higher the margin of safety that the company possesses to meet its current liabilities. Liquidity ratios greater than 1 indicate that the company is in good financial health and it is less likely fall into financial difficulties. (Liquidity ratios)

6.1.1 Current Ratio

Current Ratio= Current Asset/Current Liabilities

The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. The company’s aim is to maintain a current ratio of at least 1 to ensure that the value of their current assets cover at least the amount of their short term obligations. Projected current ratio of greater than 1 will provide additional cushion against unforeseeable contingencies that may arise in the short term.

Last two years current Ratio of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>0.37 times</td>
<td>0.31 times</td>
</tr>
</tbody>
</table>
Interpretation

In 2013, Robi Axiata Limited’s current liabilities were 0.37 times higher than their current assets. The ratio has worsened from last year. Although in 2013, the current assets has gone up by a smaller amount, the current liabilities have increased by a much higher amount than in 2012. This is why the current ratio has decreased.

Robi should aim to maintain a current ratio of at least 1 to ensure that the value of their current assets cover at least the amount of their short term obligations. If all other things were equal, a creditor, who is expecting to be paid in the next 12 months, would consider a high current ratio to be better than a low current ratio, because a high current ratio means that the company is more likely to meet its liabilities which fall due in the next 12 months.

6.2 Asset Management Ratio

Asset management (turnover) ratios compare the assets of a company to its sales revenue. Asset management ratios indicate how successfully a company is utilizing its assets to generate revenues. Analysis of asset management ratios tells how efficiently and effectively a company is using its assets in the generation of revenues. They indicate the ability of a company to translate its assets into the sales. Asset management ratios are also known as asset turnover ratios and asset efficiency ratios. Although higher asset turnover ratios are preferable, but what is considered to be high for one industry, may be low for another. Low asset turnover ratios mean
inefficient utilization of assets. Low asset turnover ratios mean that the company is not managing its assets wisely. They may also indicate that the assets are obsolete. Companies with low asset turnover ratios are likely to be operating below their full capacity. (Asset management ratios)

6.2.1 Total Asset Turnover Ratio

\[
\text{Total assets turnover} = \frac{\text{Net sales revenue}}{\text{Average total assets}}
\]

The Total Asset Turnover ratio is an indicator of the efficiency with which a company is deploying its assets. It is calculated by dividing sales in dollars by assets in dollars.

Generally speaking, the higher the ratio, the better it is, since it implies the company is generating more revenues per dollar of assets. But since this ratio varies widely from one industry to the next, comparisons are only meaningful when they are made for different companies in the same sector. The Asset Turnover ratio is also a key component of DuPont Analysis, which breaks down Return on Equity into three parts, the other two being profit margin and financial leverage. (Asset Turnover Ratio)

Last two years total asset turnover ratio of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets Turnover Ratio</td>
<td>0.48 times</td>
<td>0.48 times</td>
</tr>
</tbody>
</table>
Interpretation

In 2013 Robi’s Average total assets were 0.48 times higher than its net sales. The ratio has stayed the same as it was in the year 2012. However, in the year 2013 both the average total assets and net sales amount have increased. Robi Axiata Limited falls under the telecommunication sector. The company has a large asset base. Hence it has a lower asset turnover ratio. The trend in the asset turnover ratio over a period of time should also be reviewed to check whether asset usage is improving or deteriorating.

6.3 Debt Management Ratio

Debt Management Ratios attempt to measure the firm's use of Financial Leverage and ability to avoid financial distress in the long run. These ratios are also known as Long-Term Solvency Ratios. There are three debt management ratios that help a business owner evaluate the company in light of its asset base and earning power. Those ratios are the debt to assets ratio, the times interest earned ratio, and the fixed charge coverage ratios. Other debt management ratios exist, but these help give business owners the first look at the debt position of the company and the prudence of that debt position.
6.3.1 Debt-to-Asset Ratio

Debt-to-Asset Ratio = Total Debt/ Total Assets

This ratio is used to measure a company's financial risk by determining how much of the company's assets have been financed by debt. This enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage, and consequently the higher will be the financial risk. This is a broad ratio that includes long-term and short-term debt (borrowings maturing within one year), as well as all assets – tangible and intangible. (Total Debt To Total Assets).

Last two years debt-to asset ratio of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt-to-Asset Ratio</td>
<td>0.59</td>
<td>0.55</td>
</tr>
</tbody>
</table>

**Interpretation**

![Debt-to-Asset-Ratio Chart](chart)
In the year 2013, 55% of Robi’s assets were financed by the creditors or debt and 45% were financed by the owners. The ratio has decreased from 2012 by 4% which is a good sign. The company was more levered in 2012 than it was in 2013. Robi has a much higher degree of leverage in the year 2012 than in 2013. The company had a lower degree of financial flexibility in year 2012 than in the year 2013. However, in 2013, both total assets and total debt has increased. A higher percentage indicates more leverage and more risk.

6.4 Profitability Ratio

Profitability ratios measure a company’s ability to generate earnings relative to sales, assets and equity. These ratios assess the ability of a company to generate earnings, profits and cash flows relative to some metric, often the amount of money invested. They highlight how effectively the profitability of a company is being managed. Different profitability ratios provide different useful insights into the financial health and performance of a company. For example, gross profit and net profit ratios tell how well the company is managing its expenses. Return on capital employed (ROCE) tells how well the company is using capital employed to generate returns. Return on investment tells whether the company is generating enough profits for its shareholders. For most of these ratios, a higher value is desirable. A higher value means that the company is doing well and it is good at generating profits, revenues and cash flows. Profitability ratios are of little value in isolation. They give meaningful information only when they are analyzed in comparison to competitors or compared to the ratios in previous periods. Therefore, trend analysis and industry analysis is required to draw meaningful conclusions about the profitability of a company. (Profitability ratios: What is it?)

6.4.1 Net Profit Margin

\[
\frac{\text{Total Revenue} - \text{Total Expenses}}{\text{Total Revenue}} = \text{Net Profit Margin}
\]

Net profit Margin Ratio indicates the profitability of any company. Net margins will vary from company to company, and certain ranges can be expected from industry to industry, as similar business constraints exist in each distinct industry. Companies that are able to expand their net
margins over time will generally be rewarded with share price growth, as it leads directly to higher levels of profitability.

Last two years net profit margin ratio of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit Margin</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Interpretation**

Net profit margin has increased to 8% from 2% from the year 2012 to 2013. In the year 2013, net profit has increased by a significant amount which is why the net profit margin has increased by 6%. Robi is becoming more different in controlling its costs. The higher margin in 2013 indicates that the company is more effective in converting revenue into actual profit.
6.4.2 Return on Equity

Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. It measures a firm's efficiency at generating profits from every unit of shareholders' equity (also known as net assets or assets minus liabilities). ROE shows how well a company uses investment funds to generate earnings growth. ROEs between 15% and 20% are generally considered good. The benefit comes from the earnings reinvested in the company at a high ROE rate, which in turn gives the company a high growth rate. The benefit can also come as a dividend on common shares or as a combination of dividends and reinvestment in the company. ROE is presumably irrelevant if the earnings are not reinvested. (Return on equity, 2014)

Last two years return on equity of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity</td>
<td>3%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Interpretation**

![Graph showing Return on Equity]
In 2013, Robi’s net income was 9% of its shareholder’s equity. The parentage has improved from 3% to 9% from the year 2012 to 2013. The higher the ratio percentage, the more efficient management is in utilizing its equity base and the better return is to investors. Hence, the ratio has increased in 2013. A rising ROE suggests that the company is increasing its ability to generate profit without needing as much capital. It also indicates how well a company's management is deploying the shareholders' capital. In other words, the higher the ROE the better it is for the company. (Return on Equity (ROE)).

6.4.3 Earnings per Share (EPS)

\[
\text{EPS} = \frac{\text{Net Income} - \text{Dividend on Preferred Stock}}{\text{Average Outstanding Shares}}
\]

Earnings per share (EPS) is the dollar value of earnings per each outstanding share of a company's common stock. When calculating, it is more accurate to use a weighted average number of shares outstanding over the reporting term, because the number of shares outstanding can change over time. However, data sources sometimes simplify the calculation by using the number of shares outstanding at the end of the period. The one-year (historical or trailing) EPS growth rate is calculated as the percentage change in earnings per share. The prospective EPS growth rate is calculated as the percentage change in this year's earnings and the consensus forecast earnings for next year. Because the number of shares outstanding can fluctuate, a weighted average is typically used. (Harvey, 2011)

Last two years EPS of Robi:

<table>
<thead>
<tr>
<th>Items</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>Tk. 9.20</td>
<td>Tk. 17.59</td>
</tr>
</tbody>
</table>
Interpretation

In the year 2013, Robi’s EPS was Tk. 17.59 which has increased from Tk. 9.20 of 2012. The higher the EPS figure, the better it is for the company. A higher EPS in 2013 than in 2012 is the sign of higher earnings, strong financial position and, therefore, Robi is a reliable company to invest money.
Chapter 7: Conclusion
In Bangladesh, telecommunication sector witnessed massive development during the last decade, mainly due to the penetration of mobile telephony. However, there remain enormous opportunities for further growth as the economic indices grow correspondingly. In order to boost its presence and market share, Robi Axiata Limited must continue to embark upon this transformation endeavor to tap the possibilities to grow and at the same time contribute to the socio economic development of the country. The telecom operator has the knowledge and expertise, which will definitely help them to gain more customers in the future and increase the market share.

The three month long internship program served as a very good opportunity for me to gain a wealth of practical knowledge regarding the corporate world which I hope would gear me up for a promising future.
Bibliography


Appendix
Human Resources Division