

Internship Report on
Monthly Operating Cost
of
Cefalo Bangladesh Ltd.



BRAC University
10 September 2014

Submitted By:
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Letter of Transmittal

10 September 2014

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Sub: Submission of Internship report on Monthly Operating Cost of Cefalo Bangladesh Ltd.

Dear Sir,

It gives me pleasure to submit my internship report on analysis of monthly operating cost of my employer, Cefalo Bangladesh Ltd. as per your instruction. I tried to make this report informative and comprehensive based on my collected information and limited experience.

Your acceptance and appreciation would surely inspire me. For any further explanations about the report, I will be gladly available to clarify the ins and outs. Any suggestions regarding this report will be helpful for my future.

Sincerely yours

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Acknowledgement

This internship report is an accumulation of many people's endeavor. But at the very outset, I would like to convey my sincere appreciation to the almighty Allah for giving me the strength & the ability to finish the task within the planned time. First of all, I would like to thank my supervisor, Mr. Shamim E. Haque for providing me suggestions and giving me guidelines to prepare this report. His valuable suggestions & guidelines helped me a lot to prepare the report in a well-organized manner. I tried to design my report according to the format provided by my advisor. I am also grateful to the other officials & my friends who helped me while preparing the study by giving their suggestions, assistance & supply of information, which were valuable to me.

Finally, I greatly express my gratitude to BRAC University for providing me the opportunity to prepare this report as a part of my internship for the completion of my MBA degree.

Executive Summary

Cefalo is a Norwegian consulting and offshore-outsourcing company with its main services and development department in Dhaka, Bangladesh. The company offers IT-development and maintenance services to SME organizations in the media and software industry. Cefalo has customers all over the world, mostly in the European regions which include Norway, Sweden, Denmark, Germany and United Kingdom. Cefalo's global headquarter is at Oslo, Norway. Its main software development branch is at Dhaka, Bangladesh. Cefalo's Bangladesh office was registered with Registrar of Joint Stock Companies (RJSC) on August, 2010. Cefalo's Dhaka office started its operation with only 7 members in the early 2011. The company grew to 25 members in the early 2013. Now in 2014, Dhaka office size is exceeding 50.

I have been working for Cefalo Bangladesh as Deputy Chief Operating Officer since April 2014. Here my main responsibilities is to assist our COO in implementing strategies for operational management, directly taking part in the process of recruitment, training, appraisal and the overall office maintenance and infrastructure. At the same time, I work in multiple customer projects in various roles including project management and planning, requirement analysis, holding training courses etc. Before April 2014, I used to work as a Principal Software Engineer for Cefalo since January 2011.

Cefalo's Dhaka branch has mainly cost-based financial structure, as all the company revenues enter the company through its headquarter in Norway. At the end of each month, Cefalo's Dhaka office gets payment from headquarter against its monthly cost report. In this report, I tried to explore the different types of operating costs, Cefalo's Dhaka office has to bear each month.

Software Engineers are the only human resources in the Cefalo office, who earn direct revenues by doing consultancy and software development for the customers. Salaries of Software Engineers are the major part of the monthly operating cost of Cefalo's Dhaka office. On July 2014, it was more than 63% of the total operating cost. The administrative resources are the human resources in the Cefalo Dhaka office, who do not earn direct revenues for the company, rather they take the responsibility of managing the administration, infrastructure and overall day to day operation of the office. The administrative resources include COO, Deputy COO, Accounts & Admin Officer, System Administrator and three other office staffs. Salaries of management and admin staffs contributes a small portion (less than 8% on July 2014) of the total operating costs of the Cefalo Dhaka office. In our office, every employee gets 13 months' gross salary in 12 months. The extra one month gross salary is offered to an employee an annual bonus.

Internet expense is a fixed monthly cost for Cefalo, although this expense can fluctuate if internet bandwidth price fluctuates or if our office increases the total internet bandwidth. On July 2014, the total monthly internet expense was 152,783 TK for 26 mbps internet bandwidth. Cefalo's Dhaka office has rented its office space from a six storied building located in the Asadgate area and our office currently pays house rent of 331,625 TK per month. At the end of every month, Cefalo Dhaka office has to pay utility costs such as: electricity bills, water bills, gas bills, fuel cost for electric generators, maintenance cost of the plants inside the office etc. On July 2014, the total utility cost was 83,610 TK. Every year, my employer, Cefalo Dhaka office also bears the cost of external training for the skill development of our software engineers like: spoken English training, software development related training etc. Cefalo Dhaka office offers breakfast, lunch, snacks, drinks etc. to all of its employees through the working hours. It also pays monthly mobile bill of 1000 TK and home internet bill of 1000 TK to each of its employee. There is also business development costs which includes membership costs of BASIS, NCCI and participation cost in BASIS SoftExpo.

Cefalo Dhaka office also has to pay for taking professional services of accounting, taxation, vat, auditing and related consultancy from a reputed Audit firm Ahmed Mashuque & Co. Every year, Cefalo Dhaka office also bears the cost of its annual tour for all of its employees along with their family members. In 2014, the total cost for the tour was 1,232,329 TK. Cefalo Dhaka office also considers depreciation costs on its fixed assets. Every year, it considers 10% deprecation for furniture, 20% depreciation for Air Conditioner (AC), 30% depreciation for office laptops, 20% depreciation for office equipment (office server, electric generator, water dispenser, electric fans etc.) and 20% depreciation for office decorating items (carpeting, false ceiling etc.). Apart from the costs mentioned above, Cefalo Dhaka office also has to bear the maintenance costs for office space, furniture, electric machinery and air conditioner (AC), electric generator, office networking and costs for gift and donation, hotel & accommodation cost for foreign guests, domain registration, office stationary, newspaper and magazines, recruitment (posting job ads in bdjobs and others) etc.

Finally, I can say that, Cefalo is overall a very good organization to start a career as it gives one a huge scope of work and exposure. Also their pay scale is also very good. Moreover, their reputation in the market is significantly high and their foreign clients are relatively very happy by the service they get from Cefalo. This makes the organization more sustainable in the market and gives it the opportunity to retain the market lead. I am very happy to have an organization like Cefalo as my fulltime employer. I wish Cefalo the best for their future.

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Organization

Introduction

Cefalo is a Norwegian consulting and offshore-outsourcing company with its main services and development department in Dhaka, Bangladesh. The company offers IT-development and maintenance services to SME organizations in the media and software industry. Cefalo tailors development, support or maintenance teams as extension to European organizations' IT department for development and maintenance of their IT systems.

Cefalo's ambition is to be known in the marketplace for the quality of our work and the high level of our services. This we achieve through our continuous focus on company culture and improved communication, project management and knowledge management within and across our customer teams.

Cefalo's global headquarter is at Oslo, Norway. Its main software development branch is at Dhaka, Bangladesh. It also has an office in Malmö, Sweden. Cefalo's Dhaka office currently has more than 50 employees. Cefalo has customers all over the world, mostly in the European regions which include Norway, Sweden, Denmark, Germany and United Kingdom.

Background

The company was founded in 2010, based on the Norwegian management's earlier experiences from offshoring to Bangladesh and India. Cefalo's CEO, Per Einar Myklebust and cofounder and CTO Tom Handegård were responsible for developing and growing operation of Escenic (a Norwegian online news publishing solution, later acquired by Vizrt) in Bangladesh. Both of them lived in and oversaw the operation in Dhaka in 2009 and 2010. The operation became a success by focusing on company culture and improving processes. In addition they bring their experience from business and technology management from other Norwegian software and consulting companies.

Cefalo's Bangladesh office was registered with Registrar of Joint Stock Companies (RJSC) on August, 2010. It formally started its operation on January 2011. This office is headed by our COO in Bangladesh, Mohammad Golam Kabir, who is a BUET graduate, has more than 11 years of experience working in the ICT industry including two years in United States and three years as a manager in Grameenphone.

Cefalo's Dhaka office started its operation with only 7 members in the early 2011. The company grew to 25 members in the early 2013. Now in 2014, Dhaka office size is exceeding 50. It means that Cefalo Dhaka office is growing very fast.

Cefalo's Dhaka office is a member of Bangladesh Association of Software and Information Services (BASIS) and also a member of Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh. As a recognition of outstanding performance in the field of outsourcing of software and IT services, Cefalo won BASIS Outsourcing Award for two consecutive years in 2013 and 2014 in the company category.

Service Offerings

We at Cefalo offer the following IT-development and maintenance services to SME organizations in the media and software industry:

- Technical advisory and project management for the media industry
 - Content Management Solutions (both print and web)
 - Paywall and payment solutions
 - Integrations between different tools
- Implementation and programming services
 - Develop and maintain client systems
 - Software development using Java, .NET, Ruby, PHP, HTML5, CSS3, Javascript
 - Web development using popular CMS like: Escenic, Polopoly, Wordpress, DrPublish, EZ Publish etc.
 - Traditional IT-consultancy projects
- Outsourcing/offshoring
 - Long term leasing of offshore teams
 - Extension/Blended teams

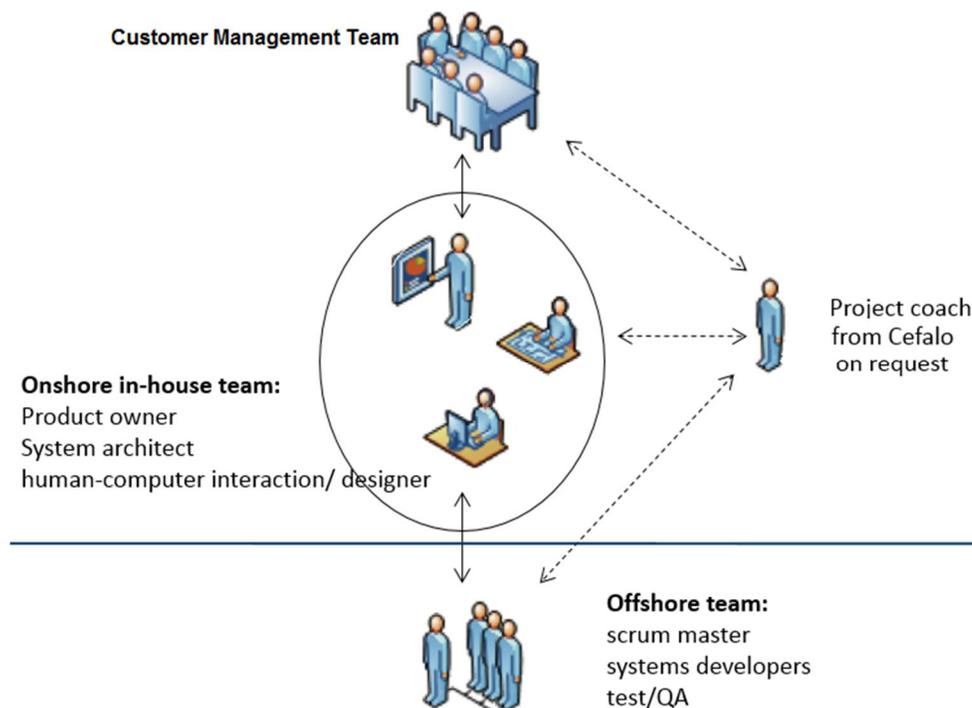
At Cefalo, our experts include:

- Project Managers
- Scrum Masters
- Software Architects
- Programmers
- Support engineers
- Software Testers / Quality Assurance Engineers

Our main service is tailoring development, support or maintenance teams as an extension to European organizations' internal IT department for development and maintenance of IT systems. Cefalo constantly focus on improving our method of agile development in distributed projects. The method is based on our training and experience with Scrum methodology in Norway, and developed further through our long experience with offshoring of software development to Bangladesh.

How We Work

Cefalo forms an offshore software development team based on the requirements of the customer projects. The offshore software development team generally consists of Scrum master / team lead, a group of software engineers (both senior and junior) and optionally software testers / quality assurance engineers. The offshore software development team works from Cefalo’s Dhaka office and the team is fully managed by an onshore in-house customer team consisting of product owner (who owns the product development), system architect, designer etc. This on-shore in-house customer team gets the product development direction from their company’s management team and other stakeholders.



Optionally there could be a project development coach from Cefalo side, who takes responsibility of bridging the gap between the onshore customer team and the offshore development team and also helps the customer side onshore team to manage the offshore development team at the initial phase of the project development. He leaves the project as soon as the onshore customer team can take the project management responsibility on their own. Cefalo leases a software development team contractually for a time period of 1 to 3 years. Before the contract period expires, the customer has the option to renew the contract for longer time frame. The customer has also the flexibility to grow the offshore team size temporarily while meeting some tight scheduled deadlines.

Customers

A typical Cefalo customer is linked to the media and software industry, which is in need of one or more extension teams either permanently or temporarily due to the following reasons:

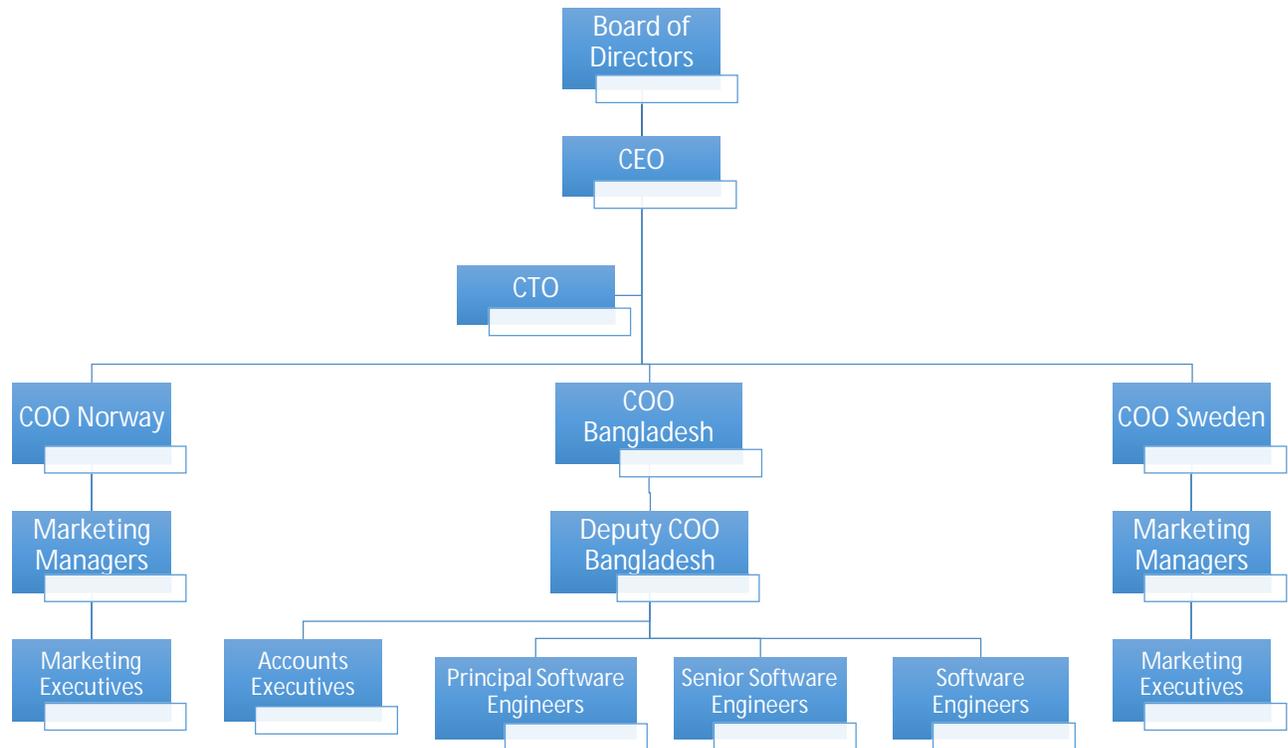
- The customer has some challenges recruiting locally
- IT development is not the core of the business for the customer
- The customer wants to cut the peak in development projects
- The customer wants to save costs

A typical Cefalo customer generally starts with a small team of 2-3 people and has its own team with 3-10 engineers and then tries to grow steadily with Cefalo as its development partner. The customer takes the responsibility of managing the offshore team itself with help from a team-leader in Dhaka.

Cefalo's customer base is mostly concentrated in the Scandinavian countries and UK. This is because many companies of these countries often face difficulty to grow locally to meet the intended project roadmap. That is why, Cefalo's sales and marketing team also concentrates on this region. Some reputed clients of Cefalo include: Aftenposten (Norway's largest newspaper), Aftonbladet (popular Swedish tabloid), NHST Media Group (Norwegian media conglomerate publishing a number of newspapers), Infomaker (Swedish newspaper print system), Nettavisen (first Norwegian online newspaper), Teknisk Ukeblad (Norway's leading engineering journal), Mentor Medier (Norwegian media company), TrustBuddy (Swedish Financial Company), Global Blue (Tourism shopping tax refund company based in Switzerland).



Operational Network Organogram



There are three offices of Cefalo located in Norway, Sweden and Bangladesh and each of the office is headed by the regional Chief Operating officer. These regional Chief Operating Officers directly report to Chief Executive Officer, who works from Cefalo’s global headquarter, Norway. The Chief Technology Officer also works from Norway and he directs and drives the entire company in terms of Technology. The CTO directly reports to the CEO. The Board of directors is the highest level of authority within the company and is responsible for the overall operational decisions of the company for best interest of its shareholders and accountable to the shareholders. The CEO of the company reports directly to the Board.

Cefalo’s Bangladesh office is headed by our COO, Mohammad Golam Kabir. He also has got a deputy to run the day to day operation of the Bangladesh office. This office is the only software development center of the company consisting of three levels of software engineers based on their work experience. On the other hand, Cefalo’s other two regional offices in Norway and Sweden mainly responsible for sales and marketing of the company’s products and services in the European countries.

Mission and Vision

Cefalo has a solid reputation as a business and information technology consulting company. Our Vision is to help our clients meet their goals through our people, services and solutions.

Cefalo is dedicated to providing the people, services and solutions to our customer needs to meet their information technology challenges and business goals.

- Work to understand the needs and requirements of our clients before proposing a solution
- Develop responsive proposals that provide cost-effective solutions to our customer needs
- Deploy the right mix of people and products to deliver value-added services and solutions to our clients
- Follow-up on the quality of our services and solutions to our clients
- Appreciate the trust that our clients put in us as we work with them to improve their business and information technology.

Job Experience

Nature of the Job

I have been working for Cefalo Bangladesh as Deputy Chief Operating Officer since April 2014. I actively take part in the overall office management. At the same time, I work in multiple customer projects in various roles including project management and planning, requirement analysis, holding training courses etc. Before April 2014, I used to work as a Principal Software Engineer for Cefalo since January 2011. I work for Cefalo for fulltime from the beginning. Before Cefalo, I used to work for another Norwegian software company for more than 5 years.

Job Responsibilities

My primary responsibilities include:

- Assisting the Chief Operating Officer (COO) in implementing strategies for operational management and development.
- Participating actively in implementing programs that meet organizational objectives within agreed budgets and timescales.
- Directly taking part in the process of recruitment, training, appraisal and knowledge management.
- Pro-actively finding out ways to make the operation more streamlined, profitable and efficient.
- Providing active support in overall office maintenance and infrastructure.

Sometimes I also take part on the following activities as my secondary responsibilities:

- Converting "non-technical" customer requirements into "technical" stories or backlog items for software developers.
- Acting like a "bridge" between customers and software development consultants.
- Leading and managing multiple teams of software development consultants.
- Consultancy in various customer projects all over the world especially in Europe as a tech lead, scrum master and also a project manager.
- Holding Training Courses for customers as well as for new employees to make them familiar with products/projects, software development principles and server administration.

Different Aspects Job Performance

My best strength at my workplace is my leadership and managerial skill along with good technical background. I started my career back in 2006 as a junior software engineer after finishing my bachelors in computer engineering. Within 3 years of my career, I became a team lead of a small 3 member team and I think the qualities that differentiated me from other engineers is my leadership and inter-personal skill. On 2011, I started working for my current employer Cefalo as a Principal Software Engineer, where my main responsibilities was to lead and manage multiple teams of software development consultants as well as handling technical requirements of our foreign customers. Working with a foreign customer remotely always presents many challenges but I am always ready to bridge the gap making sure that all the work is carried out according to plan and providing good technical insights and recommendations. Personally, I have always been very picky about the quality of work. Throughout my entire career, I always tried my best not to compromise with quality even in case of the tightest deadline.

I have both technical (BSc in CSE) and business background (MBA) and I always try to understand software from a business perspective besides technical perspective. I have the ability of converting business problems into technical solutions and the ability to cooperate and understand people from non-technical stuff. As a reward of my good managerial skill, recently I have been promoted to Deputy Chief Operating Officer to assist our COO in implementing strategies for operational management, directly taking part in the process of recruitment, training, appraisal and the overall office maintenance and infrastructure.

Critical Observation and Recommendations

By getting the opportunity of working for Cefalo, I have been gaining great multinational working experience and exposure, which will help me to survive and compete in the real corporate world. Although I do not work directly in the Accounts departments, Cefalo Dhaka office management along with the accounts department provided me all kinds of support and help, as a result I could collect most of the internal operating cost related information with necessary details for the last one year, I could analyze the operating costs and prepare my internship report. During this research phase, I noticed that in spite of being a multinational company, Cefalo office still doesn't use any good powerful and automated accounting software to generate report, rather most of their reports are based on manual data entry into Microsoft Excel. So in this aspect, Cefalo Dhaka office has a scope of improvement.

Lastly I would like to say that British American Tobacco should continue the internship program which will help them too for finding a potential employee which could be an asset for the company.

Operating Cost of Cefalo Bangladesh Ltd.

Objective of the Report

The main objective of this report is to analyze the average monthly operating cost of the Dhaka branch of a Norwegian software company named Cefalo Bangladesh Ltd., as a part of my Internship Report of the MBA program of BRAC Business School under the supervision of the honorable supervisor, Mr. Shamim E. Haque.

Operating Cost

Operating costs are the expenses which are related to the operation of a business. In every business operating cost contribute to the significant part of the total cost and it is very important to identify and determine the operating cost of a company to determine the company's break-even point and also profitability margin. My employer, Cefalo's Dhaka branch has mainly cost-based financial structure, as all the company revenues enter the company through its headquarter in Norway. At the end of each month, Cefalo's Dhaka office gets payment from headquarter against its monthly cost report. In this report, I will explore the different types of operating costs, Cefalo's Dhaka office has to bear each month. And finally, I will try to determine average operating cost per month. The operating costs of Cefalo's Dhaka office consists of the following costs.

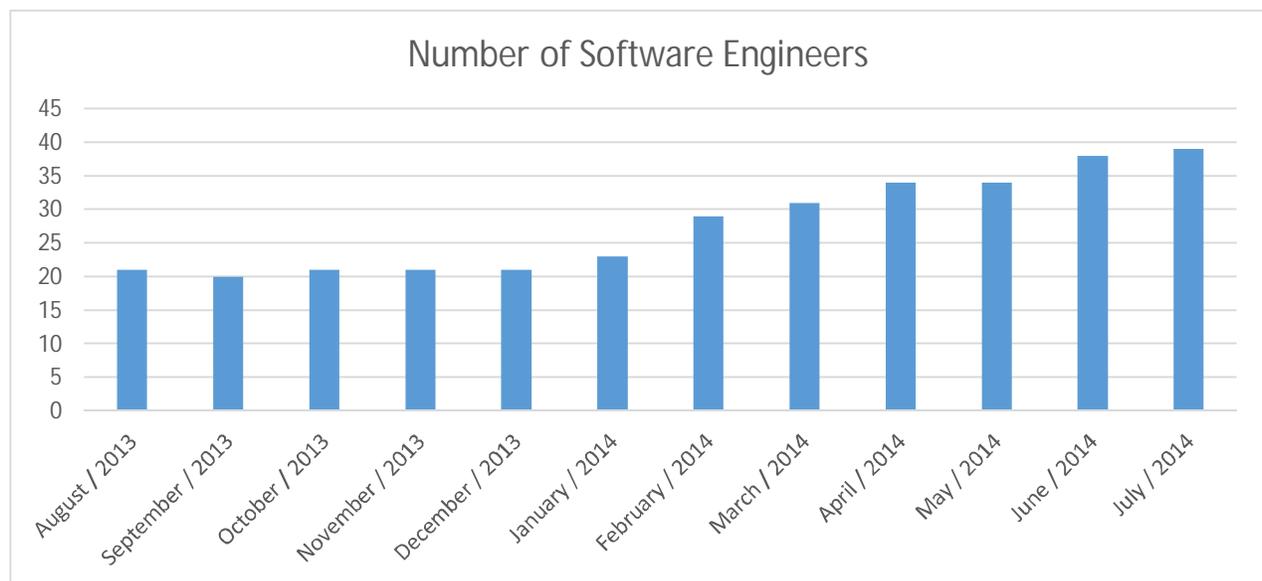
Salaries of Software Engineers

Software Engineers are the only human resources in the Cefalo office, who earn direct revenues by doing consultancy and software development for the customers. Cefalo recruit and form a team of software engineers for customer on a contractual basis for up to 1 to 3 years. During the contract period, the team is fully allocated for the customer. Cefalo's Dhaka office is currently employing 45 engineers working for 10 different customer companies. Software Engineers are the most important resources for this company and they are responsible for all the revenues earned by the company. These software engineers are mostly graduated from the top engineering universities of the country which include BUET, DU, JU, RUET, CUET, SUST etc. And Cefalo offers handsome salaries to them. Their salaries are evaluated twice in a year, on January and July. Salaries of software engineers contributes the major portion of the total operating costs of the Dhaka office.

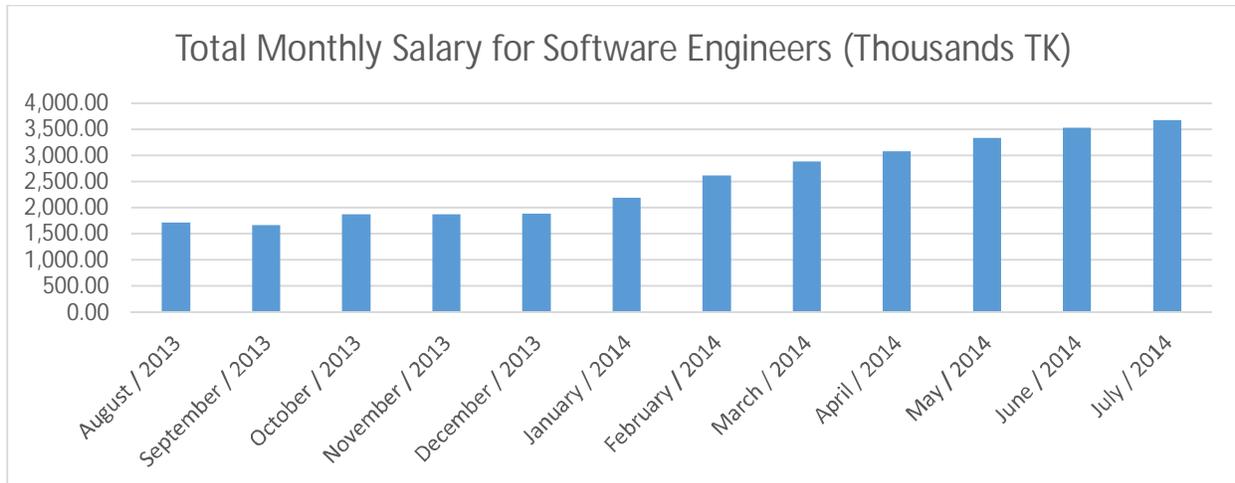
For example, on July 2014, Cefalo Dhaka office had 39 software engineers and total salary costs for them was 3,681,600 Taka. And the total monthly operating cost was 5,826,814 Taka. It means salaries of software engineers was more than 63% of the total operating cost.

Month	Total Monthly Salary for Software Engineers (Thousands TK)	Number of Software Engineers	Monthly Salary per Software Engineer (Thousands TK)
August / 2013	1,720.00	21	81.9
September / 2013	1,670.00	20	83.5
October / 2013	1,881.00	21	89.57
November / 2013	1,876.67	21	89.37
December / 2013	1,885.05	21	89.76
January / 2014	2,191.00	23	95.26
February / 2014	2,621.00	29	90.38
March / 2014	2,887.00	31	93.13
April / 2014	3,077.57	34	90.52
May / 2014	3,336.00	34	98.12
June / 2014	3,537.63	38	93.1
July / 2014	3,681.60	39	94.4

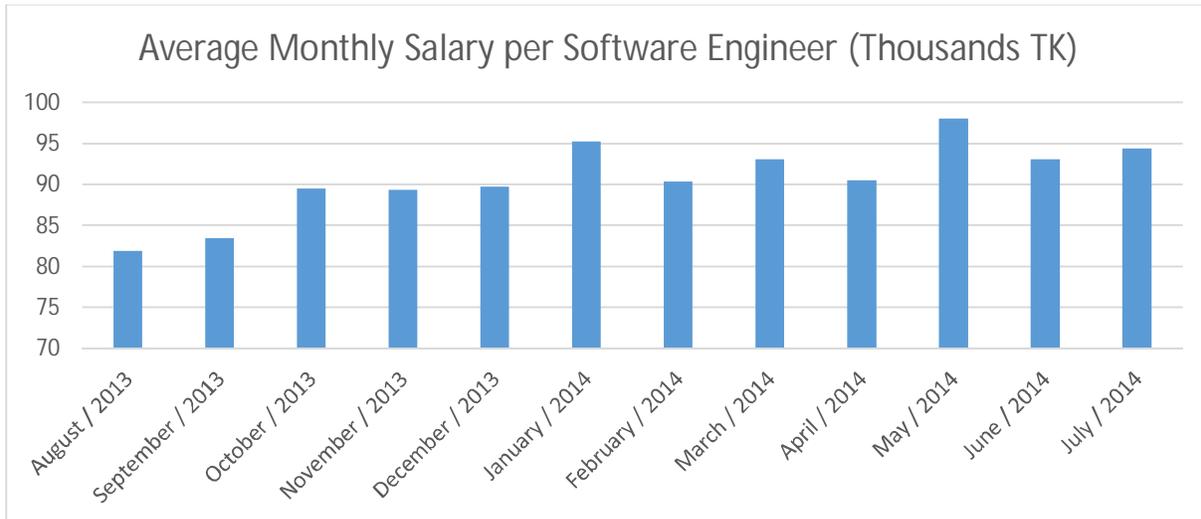
Table: Salary of Software Engineers from August 2013 to July 2014



Column Chart: Number of Software Engineers from August 2013 to July 2014



Column Chart: Total monthly salary of Software Engineers from August 2013 to July 2014



Column Chart: Average monthly salary per Software Engineer from August 2013 to July 2014

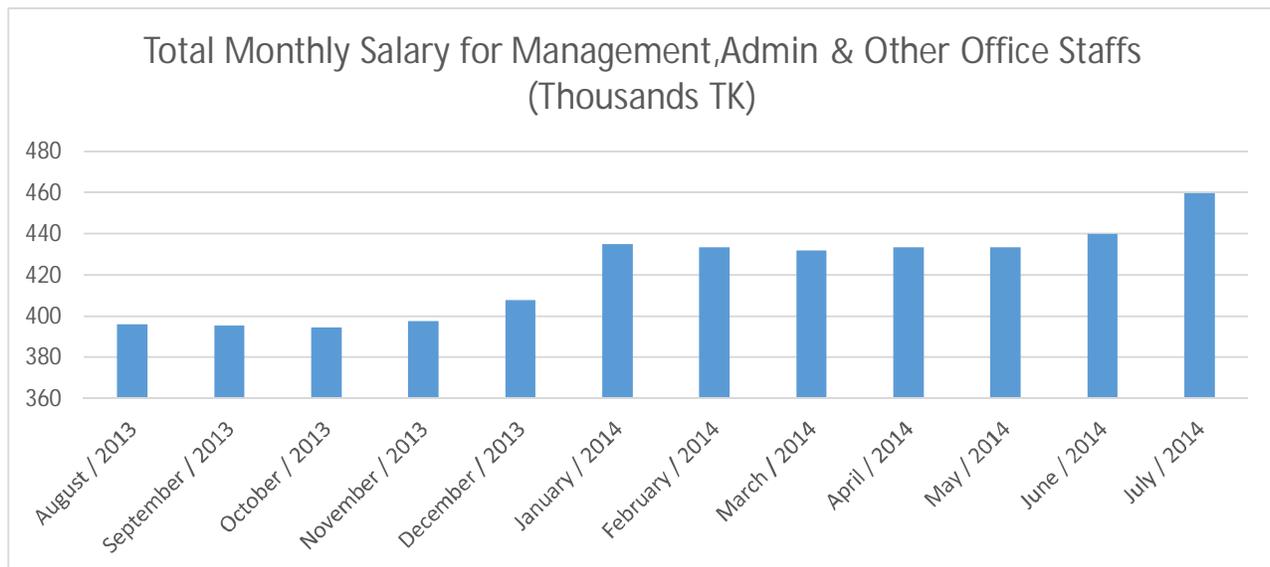
Salaries of Office Administration

The administrative resources are the human resources in the Cefalo Dhaka office, who do not earn direct revenues for the company, rather they take the responsibility of managing the administration, infrastructure and overall day to day operation of the office. Their main responsibility is to ensure, the software engineers of the company can work smoothly without any impediments for the customers to earn revenues from the customers by doing software development consultancy. The administrative resources in Cefalo Dhaka office include Chief Operating Officer, Deputy Chief Operating Officer, Accounts & Admin Officer, System Administrator and three other office staffs. Salaries of management and admin staffs contributes a small portion of the total operating costs of the Cefalo Dhaka office.

For example, on July 2014, Cefalo Dhaka office had total 7 management and admin staffs and their total salary costs was 459,817 Taka. And the total monthly operating cost was 5,826,814 Taka. It means salaries of management and admin staffs was less than 8% of the total operating cost.

Month	Number of Management, Admin & Other Office Staffs	Total Monthly Salary for Management, Admin & Other Office Staffs (Thousands TK)
August / 2013	6	396.12
September / 2013	6	395.5
October / 2013	6	394.5
November / 2013	6	397.77
December / 2013	6	407.77
January / 2014	6	435
February / 2014	6	433.45
March / 2014	6	431.95
April / 2014	6	433.45
May / 2014	6	433.65
June / 2014	7	440.08
July / 2014	7	459.82

Table: Salary of Management, Admin & Other Office Staffs from August 2013 to July 2014



Column Chart: Total monthly salary of Management, Admin & Other Office Staffs from August 2013 to July 2014

Annual Bonus

In Cefalo Dhaka office, every employee gets 13 months' gross salary in 12 months. The extra one month gross salary is offered to an employee as an annual bonus. The amount of annual bonus for an employee is determined by first summing up all the monthly gross salaries for 12 months of a year and then by dividing the total sum amount by 12. This annual bonus is offered to every employee of the company – applicable for both software engineers and management & admin staffs. This annual bonus is by default offered to an employee in two parts – 50% of the annual bonus is offered just before each of the two Eid festivals. However, an employee can collect his annual bonus in separate time period as well after prior approval.

Month	Total Monthly Salary for Software Engineers (Thousands TK)	Total Monthly Salary for Management, Admin & Other Office Staffs (Thousands TK)	Total Annual Bonus per Month (Thousands TK)
August / 2013	1,720.00	396.12	176.34
September / 2013	1,670.00	395.5	172.13
October / 2013	1,881.00	394.5	189.63
November / 2013	1,876.67	397.77	189.54
December / 2013	1,885.05	407.77	191.07
January / 2014	2,191.00	435	218.83
February / 2014	2,621.00	433.45	254.54
March / 2014	2,887.00	431.95	276.58
April / 2014	3,077.57	433.45	292.59
May / 2014	3,336.00	433.65	314.14
June / 2014	3,537.63	440.08	331.48
July / 2014	3,681.60	459.82	345.12

Table: Total Annual Bonus per Month from August 2013 to July 2014

Internet Expense

24/7 high speed internet connectivity is a must for any software company. Cefalo's Dhaka office also spends good amount of money each month for high speed dedicated internet bandwidth. Our total internet bandwidth at the moment is 26 mbps. We use internet from two internet service providers – one internet line of 16 mbps bandwidth from AKNET and another internet line of 10 mbps from Qubee Corporate line. Internet expense is prepaid at the beginning of each month to the internet service provider. Internet expense is a fixed monthly cost for Cefalo, although this expense can fluctuate if internet bandwidth price fluctuates or if our office increases the total internet bandwidth.

On July 2014, the total monthly internet expense was 152,783 TK for 26 mbps internet bandwidth. On March 2014, our total monthly internet expense was lower 114,500 TK, because that time, our office had been using 20 mbps internet bandwidth. From October 2014, our office is planning to increase the total internet bandwidth to 32 mbps and hence monthly internet expense will increase.

Month	Internet Expense (TK)
August / 2013	111,800.00
September / 2013	108,800.00
October / 2013	112,930.00
November / 2013	113,000.00
December / 2013	112,630.00
January / 2014	114,500.00
February / 2014	114,500.00
March / 2014	114,500.00
April / 2014	153,983.00
May / 2014	151,283.00
June / 2014	151,283.00
July / 2014	152,783.00

Table: Monthly Internet Expense from August 2013 to July 2014

Office Space Rent

Cefalo's Dhaka office has rented its office space from a six storied building located in the Asadgate area. Each floor of the building has 2 units and each unit is 2100 square feet in size. Our office is currently renting four units of the building in the 3rd and the 4th floor. Within the first week of every month, our office pays the office space rent to the building owner. Currently our office pays house rent of 331,625 TK per month. Before May 2014, our office used to rent 3 units of the building instead of 4 units. And that time, our office used to pay house rent of 257,125 TK per month. Monthly office space rent is a fixed cost and it can only change if either office space rent is increased by the land lord or our office expands its office space by renting new units.

Time Period	Number of Units	Monthly Office Space Rent (TK)
May 2014 to till date	4	331,625.00
Jan 2013 to April 2014	3	257,125.00
Mar 2012 to Dec 2012	2	186,250.00
Jan 2011 to Feb 2012	1	92,200.00

Table: Monthly Office Space Rent from Jan 2011 to till date

Utility Cost

At the end of every month, Cefalo Dhaka office has to pay utility bills such as: Electricity bills, Water bills and Gas bills. Besides these three items, Cefalo Dhaka office has to purchase fuel to run its electric generator and bear some monthly costs for the maintenance of the plants inside the office. These two costs are also considered under utility costs. On July 2014, the total utility cost was 83,610 TK, which was the sum of the following five costs:

Utility Costs Particulars	Costs (TK)
Electricity bill	60,000.00
Water bill	8,000.00
Gas bill	900.00
Plants maintenance costs	6,000.00
Generator fuel costs	8,710.00
Total Utility Costs	83,610.00

Table: Utility cost for the month of July, 2014

Training & Development Cost

Every year, my employer, Cefalo Dhaka office bears the cost of external training for the skill development of our software engineers. Sometimes, these training are local training and sometimes they are foreign trainings. So far, external training and skill development arrangements done by Cefalo Dhaka office include:

- Spoken English Training organized by British Council
- Scrum Master Certification Program organized by Scrum Alliance
- Programming language specific certification like: Oracle Certified Java Programmer (OCJP), Zend PHP5 Certification, Microsoft Certification etc.

The cost for arranging these training and skill development are added to annual costs of the Cefalo Dhaka office.

Training Costs (TK)	2012	2013	2014
Spoken English Training		96,000	64,000
Scrum Master Certification (India)	337,145		
Programming Language specific Certification (OCJP, ZCP, MCP)		32,320	
Total Annual Costs (TK)	337145	128320	64000
Average Monthly Costs (TK)	28095	10693	5333

Table: Annual and Average Monthly Training Costs from 2012 to 2014

Social Cost

Cefalo Dhaka office considers the following costs under social costs:

- Cost of Foods – Cefalo Dhaka office offers breakfast, lunch, snacks, drinks etc. to all of its employees through the working hours. Moreover, Cefalo often take the employees out for lunch / dinner to celebrate different occasions like: product release, official iftar during Ramadan etc. The office also arranges foods for birthday celebration and farewell of its employees. All these costs of foods are considered under social costs account.
- Mobile bills – Cefalo Dhaka office pays monthly mobile bill of 1000 TK to each of its employee.
- Home Internet bill – For home internet connectivity, Cefalo Dhaka office pays 1000 TK cash per month to each of its employee.

On July 2014, the total monthly social cost was 6752 TK per employee, as we can see in the following table:

Social Costs Particulars	Total Monthly Cost (TK)	Average Cost per Employee (TK)
Breakfast cost	17204	374
Lunch cost	103224	2244
Snacks & Drinks costs	61732	1342
Other Food costs (Dine out, Office party, Farewell etc.)	36432	792
Total Monthly Food cost	218592	4752
Monthly Mobile bill	46000	1000
Monthly Home Internet bill	46000	1000
Total Monthly Social cost	310592	6752

Table: Social costs for the month of July, 2014 (total number of employees = 46)

Business Development Cost

Cefalo Dhaka office is a member of Bangladesh Association of Software and Information Services (BASIS). BASIS SoftExpo, organized by BASIS, is considered as Bangladesh's biggest showcase for software products, IT enabled services (ITES) and ICT system solutions. Since 2012, we have been participating this software exhibition every year. The annual membership fees of BASIS as well as the costs involved for participating of SoftExpo go into the account of Business Development Costs. Cefalo also needs to pay the annual fees for membership of Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh, which is also included under Business Development Costs.

On the year 2014, so far the total Business Development cost for Cefalo is 162,000 TK, which is the summation of the following costs:

Business Development Costs Particulars	Costs (TK)
BASIS annual membership fees	10,000
NCCI annual membership fees	30,000
BASIS SoftExpo, 2014	122,000
Total Annual Business Development Costs	162,000
Average Monthly Business Development Costs	13,500

Table: Business Development Costs for year 2014

Chartered Accountant Audit Cost

Ahmed Mashuque & Co. has been offering professional accounting, taxation, vat, auditing and related consultancy services to Cefalo Dhaka office since 2011. This company performs periodic audit of our company's account once in every 3 months and also performs the final annual audit. Cefalo Dhaka office has to bear the following costs for the total audit process:

Chartered Accountant Audit Costs Particulars	Costs (TK)
Retainer fee	345,000
Audit fee	57,500
Govt. fee for documents submission to RJSC & documents approval cost provision (Annual Return)	7,640
Govt. fee & professional fee provision for ERC & trade license renewal fee	16,860
Total Annual Chartered Accountant Audit Costs	427,000
Average Monthly Chartered Accountant Audit Costs	35,583

Table: Chartered Accountant Audit Costs for year 2014

Annual Office Tour Cost

Every year, Cefalo Dhaka office arranges an annual trip for all of its employees along with their family members. The annual trip duration is generally 2 to 3 days long. On March 2014, the entire Cefalo office members along with their family members flew to Cox's Bazar for a 3 day annual office tour. During this tour, the 2-way flight charges, accommodation, foods, recreation etc. are all covered by Cefalo's annual tour cost. The total cost for the tour was 1,232,329 TK.

Depreciation Cost

Cefalo Dhaka office also considers depreciation costs on its fixed assets. Every year, it considers 10% depreciation for furniture, 20% depreciation for Air Conditioner (AC), 30% depreciation for office laptops, 20% depreciation for office equipment (office server, electric generator, water dispenser, electric fans etc.) and 20% depreciation for office decorating items (carpeting, false ceiling etc.). On July 2014, the total depreciation cost was 286,771 TK.

Other Costs

Apart from the costs mentioned above, Cefalo Dhaka office also has to bear the following costs which are recorded under other costs category:

- Office space maintenance cost
- Furniture maintenance cost
- Electric machinery and Air Conditioner (AC) maintenance cost
- Electric generator maintenance cost
- Office networking maintenance cost
- Gift and Donation cost
- Hotel & accommodation cost for foreign guests
- Domain registration (Cefalo.com) cost
- Office stationary cost
- Office newspaper and magazines cost
- Recruitment cost (posting job ads in bdjobs and others)

On the month of July 2014, the total others costs for Cefalo Dhaka office was 124,121 TK.

Month	Other Costs (TK)
August / 2013	108,873.00
September / 2013	62,372.00
October / 2013	138,070.00
November / 2013	153,307.00
December / 2013	115,025.00
January / 2014	243,405.00
February / 2014	171,916.00
March / 2014	94,018.00
April / 2014	105,476.00
May / 2014	163,998.00
June / 2014	135,882.00
July / 2014	124,121.00

Concluding Remarks

Cefalo is overall a very good organization to start a career as it gives one huge scope of work. Also their pay scale is also very good. Moreover, their reputation in the market is significantly high and their clients are relatively very happy by the service they get from Cefalo. This makes the organization more sustainable in market and gives it the opportunity to retain the market lead. Also, the higher authorities are very friendly and they have the mentality to hear from the employees all the time. This means their door is always open for any level of people working in the organization. Due to this behavior, the employee turnover rate is very less in the organization. I am very happy to have an organization like Cefalo as my fulltime employer. I wish Cefalo the best for their future.

Appendix 1 – Monthly Operating Cost Report – August 2013 to July 2014

Monthly Operating Cost Report - Cefalo Bangladesh Ltd.												
Particulars	Jul / 2014	Jun / 2014	May / 2014	Apr / 2014	Mar / 2014	Feb / 2014	Jan / 2014	Dec / 2014	Nov / 2013	Oct / 2013	Sept / 2013	Aug / 2013
Total Salary for Software Engineers	3,681,600.00	3,537,693.00	3,336,000.00	3,077,567.00	2,887,000.00	2,621,000.00	2,191,000.00	1,885,050.00	1,876,667.00	1,881,000.00	1,670,000.00	1,720,000.00
Total Salary for Management & Administration	459,817.00	440,083.00	433,650.00	433,450.00	431,950.00	433,450.00	435,000.00	407,767.00	397,767.00	394,500.00	395,500.00	396,116.00
Annual Bonus	345,118.08	331,476.33	314,137.50	292,584.75	276,579.17	254,537.50	218,833.33	191,068.08	189,536.17	189,625.00	172,125.00	176,343.00
Internet Expense	152,783.00	151,283.00	151,283.00	153,983.00	114,500.00	114,500.00	114,500.00	112,630.00	113,000.00	112,930.00	108,800.00	111,800.00
Office Rent	331,625.00	331,625.00	331,625.00	257,125.00	257,125.00	257,125.00	257,125.00	257,125.00	257,125.00	257,125.00	257,125.00	257,125.00
Utility (electricity, water, gas, fuel, plants)	83,610.00	98,408.00	102,582.00	101,639.00	82,724.00	57,809.00	45,292.00	43,342.00	45,725.00	61,273.00	44,071.00	58,141.00
Social cost (staff-welfare, mobile bill)	204,259.00	254,792.00	255,506.00	243,845.00	193,983.00	181,404.00	181,691.00	157,547.00	152,785.00	154,014.00	142,260.00	146,161.00
Chartered Accountant fee	35,583.33	35,583.33	35,583.33	35,583.33	35,583.33	35,583.33	35,583.33	38,520.50	38,520.50	38,520.50	38,520.50	38,520.50
Business Development	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33
Official Tour	102,694.08	102,694.08	102,694.08	102,694.08	102,694.08	102,694.08	102,694.08	0.00	0.00	0.00	0.00	0.00
Employee Training & Development	5,333.33	5,333.33	5,333.33	5,333.33	5,333.33	5,333.33	5,333.33	10,693.33	10,693.33	10,693.33	10,693.33	10,693.33
Other costs	124,121.00	135,882.00	163,998.00	105,476.00	94,018.00	171,916.00	243,405.00	115,025.00	153,307.00	138,070.00	62,372.00	108,873.00
Depreciation	286,771.00	279,170.00	221,554.00	187,878.00	183,238.00	168,364.00	155,374.00	132,665.00	119,306.00	118,733.00	118,445.00	118,445.00
Total Monthly Operating Cost	5,826,814.83	5,717,463.08	5,467,446.25	5,010,658.50	4,678,227.92	4,417,216.25	3,999,331.08	3,359,766.25	3,362,765.33	3,364,817.17	3,028,245.17	3,150,551.17
Number of Software Engineers	39	38	34	34	31	29	23	21	21	21	20	21
Number of Management & Administration	7	7	6	6	6	6	6	6	6	6	6	6
Average Cost per Software Engineer per month	149,405.51	150,459.55	160,807.24	147,372.31	150,910.58	152,317.80	173,883.96	159,998.87	160,131.68	160,229.39	151,412.26	150,026.25