



# **Internship Report**

**On**



**Procurement Process**

**Of**

**Robi Axiata Limited**



**PREPARED BY**

SHAPAN DOUGLAS ISON

ID- 11204012

BRAC BUSINESS SCHOOL

BRAC UNIVERSITY

**SUBMITTED TO**

MR. RIYASHAD AHMED

ASSISTANT PROFESSOR & EMBA COORDINATOR

BRAC BUSINESS SCHOOL

BRAC UNIVERSITY

**DATE OF SUBMISSION**

19th December, 2015



## LETTER OF TRANSMITTAL

19th December, 2015

To,

Mr. Riyashad Ahmed

Assistant Professor & EMBA Coordinator

BRAC Business School

BRAC University

**Subject: Submission of internship report on “Procurement Process of Robi Axiata Ltd.”**

Dear Sir,

I would like to enlighten you that I have completed this internship report on “Procurement Process of Robi Axiata Ltd.” This Project has provided me with the opportunity to relate theories with the real life practical operation. Moreover, it has been a great experience to be a part of an organizational culture of an outstanding telecommunication organization in the country.

In this regard, I have done my best to complete the report within the specified time and with the quality of your expectation. It would be my immense pleasure if you find this report useful and informative to have an apparent perspective on the issue.

Sincerely Yours,

-----

Shapan Douglas Ison

ID- 11204012

BRAC Business School

BRAC University



## ACKNOWLEDGEMENT

In the very beginning, I would like to express my gratitude to all those people who have helped me to be here today and this goes to my family, friends, Teachers, colleagues and almighty for giving me the strength to perform my responsibilities as an intern and complete the report within the predetermined time. Secondly, I am very grateful to my academic supervisor Mr. Riyashad Ahmed, Assistant Professor & EMBA Coordinator, BRAC Business School for his wholehearted supervision during my organizational attachment period. I would also like to show my gratitude to Mr. Mahabub Ahmed Chowdhury, my organizational supervisor for his immense support. It would have been a very difficult task for me to prepare this report if it hadn't been for all these people for their guidance and Support.

My gratitude goes to entire OCSAR team, of BRAC University for arranging Internship Program that facilitates assimilation of theoretical knowledge with real life situation.

Lastly, I would like to extend my gratitude to Mohammad Amjad Hossain, Specialist- Contract management, Asif Mohaisin Sadri Specialist- Contract management, Mr. Fahad Mahmud, General Manager- Inbound & Outbound Logistic and many other invisible hands that have helped me to perform my task for the last three months. . In addition to that, I would also like to express my gratitude to my Robi Axiata Ltd. fellows, seniors and colleagues who gave me good advice, suggestions, inspiration and support. I must mention the wonderful working environment and group commitment of this organization that has enabled me to deal with a lot of things.



## **EXECUTIVE SUMMARY**

"Information System" what do we mean by it well it is an integrated communication system by the use of which we can figuratively hold the whole wide world in our hand. It is the single most important invention of the 21st century and Mobile communication is a major part of this integrated system. When consumers were tied to a fixed phone with its fixed phone number few years back, mobile and cellular phones have proliferated to meet the demand for communication anytime, anywhere in the world. Robi is one of the companies that has accelerated and sought out every nook and cranny of telecom products and services for both consumers and businesses. Companies that have not foreseen change--or kept up--are quickly consigned to the technological and financial graveyard, Robi being just the latest example. Financial muscle has been displaced by quality and depth of management and speed of execution as the final arbiter in the telecom marketplace by Robi. And I had the opportunity to work with the supply chain department of the finance division team as an intern for three months. The report is the reflection of that three months learning and hard work. The report has been started with the basic overview of Robi, its departments and has moved to the main topic of Procurement Process. Since the process involves vendors that is why a short chapter is included about vendors, its selection strategies etc. However, I have focused mostly on the Procurement process and tried to shed light on every aspect of its components. Since the entire process is confidential therefore, I am unable to provide specific information which would further make the project interesting. Lastly, the report concludes with few of the recommendation that I thought can make the process more efficient and ends with references of some of the sources that have supported me in finishing these report.



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## Introduction

### Origin of the report

Internships are formal programs within organizations whose primary purpose is to offer practical work experience in a particular occupation to people who are new to that field. Internships strengthen resumes by giving students visible work experience. Internship Program of BRAC University is a requirement for the BBA students. This study is a partial requirement of the Internship program of BBA curriculum at the BRAC University. The main purpose of internship is to get the student exposed to the job world. Being an intern the main challenge was to translate the theoretical concepts into real life experience.

The internship program and the study have following purposes:

- To get and organize detail knowledge on the job responsibility.
- To experience the real business world.
- To compare the real scenario with the lessons learned in BRAC University
- To fulfill the requirement of BBA Program.

### Objective of the report

The objectives of the report can be viewed in two forms:

- General objective: This internship report is prepared primarily to fulfill the Bachelor of Business Administration (B.B.A) degree requirement under the Faculty of BRAC Business School, BRAC University.
- Specific Objective: More specifically the report specifically elaborates on the overview of Robi, its departments and services offered and mostly discussed detailed about the vendor payment process.

### Scope of the Report

Since the internship program is of three months that is why the report on Procurement Process will be limited to three months. In addition to that, Procurement Process it is a function of the supply chain department, therefore the report will be limited to supply chain department of the Finance division.

## Methodology

The study is conducted in a systematic procedure starting from selection of the topic to final report preparation. Two sources of information are used in the report. First are the primary data which was collected from keen observation and casual questioner of the employees about the job responsibility. The internal server of Robi are also used as a primary source for collecting information to covers details about the product and services, overview and departments and divisions. Secondary sources such as different journal, report and websites are also used along with proper citation.

## Limitation

The main limitation is the willingness to share information as most of the information is confidential to the organization and the concerned authority point out that the information associated with this report are critical enough to disclose to the external world. I only worked at the finance division, and it was quite difficult to understand about the procedure as I am new to the corporate world. However, although there were many limitations I tried to give my best effort to furnish the report.

## Industry Overview

Mobile phones are playing a great role to communicate from one place to another. Today, telecommunication is one of the major parts of life. Nowadays, the phone is not only used for making calls, among many other functions it is also used for communicating through text-messages and multi-media messages, as well as to connect us to the internet. The opportunities that lie in the telecom market seem endless and the growing demand for mobile telephony systems is creating a world-wide market. The telecom industry is nowadays not only by means of millions, but by means of billions. Moreover, Bangladesh is a country which is densely populated and also is a flat and easily extends able coverage followed by the low infrastructure



and Tele-density which on the other hand made the market a perfect place for telecom business. The demand is very high and the consumer base is very large but the investment is low because of the topographic layout. However, the government has a receptive foreign investment policy with no restrictions on repatriation of profit. Even though the current infrastructure is not much developed but it is suitable for foreign investment which is why many foreign investors are now interested to do business in telecom sector in Bangladesh which reveals that Bangladesh has become a significant hub for telecoms.

Currently there are 6 mobile operators in Bangladesh. They are namely-

- Grameenphone–Joint venture ownership 62% Telenor and 38% Grameen Telecom.
- Banglalink–Joint venture with Orascom Telecom Co. originated from Egypt.
- Robi–Joint venture between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan
- Warid Telecom –An investment of Dubai and Abu Dhabi Group UAE.
- Teletalk–Public limited company but 100% share have been owned by the government of Bangladesh.
- Citycell–Joint venture with SingTel Asia Pacific Investment Pvt. Limited.

## 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.

## Vision

The vision of Robi is *“To be a leader service provider in Telecommunication sector in Bangladesh.”*

## Mission

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.”*

## Principles

Principle statements define how people want to behave with each other in the organization. The statements are about how the organization will value customers, suppliers, and the internal community. Robi also believes that no matter what they do to realize their purpose, they hold themselves accountable to the following guiding principles that the way for them. They are as follows:



**Uncompromising integrity-** At Robi, business success is dependent on trusting relationships. Robi's reputation is founded on the personal integrity of Robi's professionals. At all times Robi's professionals uphold a high ethical standards so that they can actively add value to their practice groups and customers. Robi demand that their professionals adhere to all applicable laws and regulations and apply ethical values in the choices they make.

1. Being **respectful** towards everyone.
2. Being trustworthy by action. Being **passionate** and **creative** in all we do.
3. Keeping things **simple** in the way we do things.
4. Being **ethical** and **transparent**.
5. Demonstrating individual and collective **ownership**.
6. Practicing an **open** culture in communication and internal

**Customer at the center-** Customers are the single most important factor for a business, therefore a special attention should be given towards them. Robi places their customer at the center and build plans according to the customers need.

**We can, we will-** Robi also follow this strategy that they can do whatever is necessary to take the business forward and they are willing to work for it.

## Shareholders

RobiAxiata Limited is a joint venture company between Axiata Group Berhad (70%) and NTT DOCOMO INC. (30%) 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.

## Logo

The new brand is here to help people to empower and enable themselves to make a better life. They 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.”***



Their policies in terms of logo usage are as follows:

- Their logo should always appear in Bengali.
- Special authorization is required if logo is presented in English
- When writing in English (Roman) text, it should be written as “Robi”

## **Product Portfolio**

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

- Robi Corporate
- Pre-paid
- Post-paid
- International Roaming
- Value Added Service

## **Robi Corporate**

Robi Corporate is founded on a robust network employing cutting-edge technology providing the ultimate solutions in terms of voice clarity; a continuously expanding nationwide network coverage; abundant international roaming global partners; popular value added services (VAS);



quality easy-access corporate customer care; competitive and tailored tariff plans and specific billing.

### Special benefits of Robi Corporate

- The wide range of Corporate Packages to fulfill corporate needs
- Zero security deposit with no monthly line rent.
- Convenient bill payment options.
- Robi Corporate Insurance Policy.
- Cutting edge value added services like GPRS, EDGE, Personal Assistant, Corporate Messaging Platform with short code, Data and Fax call services, Call Center Solution, Fixed rate group talk plan, Customized SMS based solution

### International Roaming

Robi International Roaming Services allows Robi subscribers to make and receive calls while travelling to other countries; provided that Robi has to have roaming agreements with the respective operators in foreign countries.

### International Roaming offers

- Use of the existing Robi number for roaming in all partner networks abroad
- Global network coverage with over 573 operators and 207 countries
- Spanning over six continents



- No additional monthly charge for availing the service
- Sending and receiving SMS to and from Robi
- Internet access and web surfing through GPRS Roaming Services
- Itemized bill without additional charge
- International Roaming Tariff information Through SMS.

## Pre-paid

With the most affordable benefits and associated values, Robi offers the best mobile phone experience in Bangladesh with superior OCS network. The pre-paid packages of Robi are as follows:

- Tarunno
- Anonna
- Muhurto
- Hoot Hut Chomok
- Robi Club
- Goti
- Nobanno
- Shasroyee

- Shorol

## Post-paid Package

For entrepreneurs Robi offers a different three packages called

- Uddoy
- Package 1
- Package 2

## Value Added Service

A value-added service (VAS) is a popular telecommunications industry term for non-core services, or in short, all services beyond standard voice calls and fax transmissions. The value added service of Robi includes:

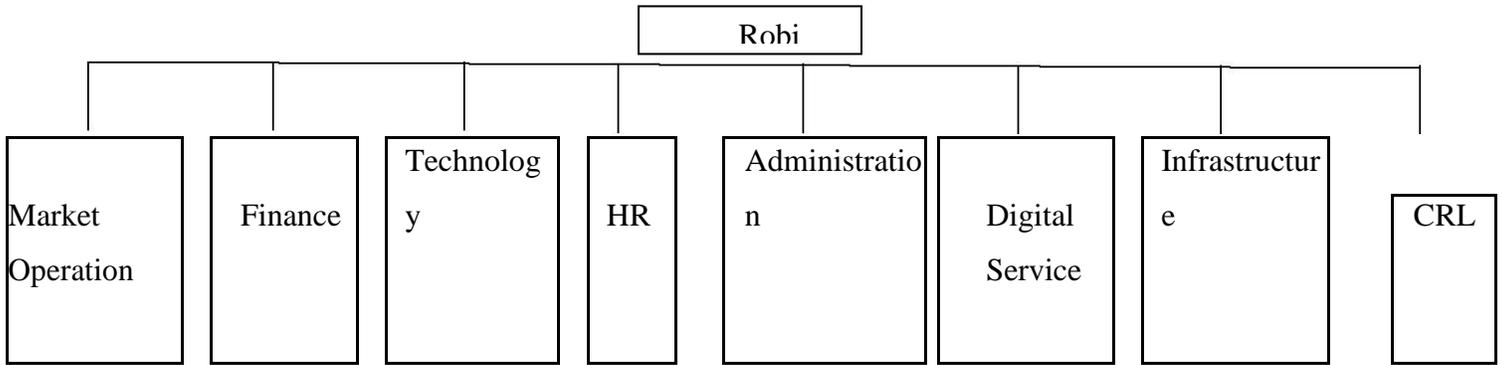
- Circle
- Music
- Entertainment
- Downloads
- Internet & Data Service
- Messaging
- Community & Chat



- Information Service
- Mobile Assistance
- Education and Carrer
- Lifestyle
- Finance
- Balance Transfer and Request
- Call Management
- Robi Locator
- Robi Zone
- Mobile Advanced Services

## **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 plays a very crucial role for the success of the company. Different department of Robi is illustrated below:



### 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.

### Administration

Administration department consists of six divisions which include: Project Management, Safety, Security, Fleet Management, Facility and Estate Management.

### Digital Service

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.

## **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**

The division and sub division of Finance department is illustrated below. There are total 150 employees who work in Finance department, which is 8% of the total employee of Robi.

### **Financial Accounting Management and Reporting (FAMR)**

This division provides accounting and financial management support services to the Robi. This includes assistance with account structures, cost centers, fund control, general ledger and accounting transaction/variance analysis, cost transfers and corrections, cost allocations, interagency transactions, regulatory and management of financial accounts and reports etc.

### **Financial Compliance, Insurance and Process Management (FCIP)**

This division work is to assist in the oversight of all aspects including: assessing inherent risks and conflicts of interests; developing and implementing transactional, periodic, and forensic testing programs to assess the adequacy of Robi policies and procedures; performing compliance testing; assisting with the development of compliance training programs etc. Moreover, it plan, direct, and coordinate risk and insurance programs control risks and losses.

### **Supply Chain Management (SCM)**

The work of SCM includes: monitoring data management to keep accurate product, contract,

pricing and invoicing information; working closely with suppliers and customers to improve operations and reduce costs; communicating needs & objectives to managers & key personnel in procurement, logistics & distribution; negotiating contracts to reduce costs and achieve maximum efficiency; providing accurate routing information to ensure that delivery times and locations are coordinated; accurately calculating total supply chain costs in relation to proposed new projects etc.

## **Revenue Assurance**

Revenue Assurance division work consist of a series of activities that are applied to ensure that the business processes, the organizational structure, controls and the information systems related to revenue cycle (consumption capture, pricing, billing and collections) work together effectively to protect revenues and maximize the margin.

## **Integrated Planning**

Integrated planning division is responsible for ensuring that appropriate company-wide asset-based and operations-based planning systems and processes are in place. It involves assimilation of all resourcing, scheduling, technical, logistical, manpower, contracting, adherence to regulation, risk assessment, and development of financial information from all departments and projects as well as the collaboration and teaming skills with various departments to develop and maintain the company's policies and processes, enabling a best-in-class and standardized approach to the business. It also oversees operation of the company's PMO (Project Management Office). This includes guidance/training of project managers, and making sure enterprise-level information about staff, links to the company's ERP system, etc.

## **Media Buying**

Media buying department facilitate and execute Robi Media Buying operations and media related outdoor/event activities in order to help establish and maintain an effective media buying process for Robi. They are responsible for monitoring media budget allocation & identify budget variance and liaise with business partnering for all related operations; assist in negotiation with different media partners (Electronic, Press and Web) in order to generate savings; coordinate in



negotiating fee/commission structure for all creative and media agencies and liaise with relevant departments /stakeholders to review agreement with creative and media agencies; supervise execution of all media and media related outdoor procurement activities etc.

## **Corporate Finance**

The key works of corporate finance division are as follows:

- (i) To provide the management with financial planning, management and control in order to ensure effective and efficient financial management of the Company.
- (ii) To ensure smooth taxation management through efficient financial strategy and policy.
- (iii) To build up relationship with various regulatory and other financial institutions in order to achieve necessary accomplishments.
- (iv) To ensure Inter-operator revenue recognitions and payment settlement in time that facilitates the revenue growth.
- (v) To ensure the smooth import process that enable the company implementing expansion program in time.
- (vi) Ensure that the vendor payment is done effectively and efficiently (Rahman, 2011).



## Nature of the Job

I am working with collaboration management unit of Supply Chain Management. I was recruited basically for archiving project. I joined Robi Axiata Limited as an Intern on the 1<sup>st</sup> of September and according to my contract I was supposed to work there for 3 months and during my internship period my sole objective was archiving documents at the same time I learning organizational behavior, culture, norms and values. From the very first day it has been a great pleasure working for this team, I am very happy that I got the opportunity to work in such a culture where people have respect for one another and are always there to help out in need. Being an intern I never felt like one because I have been treated as one of them which are very important for a fresher to get motivated and bring out the full potential to show his caliber in competitive work environment.

This apprenticeship really helped me a lot and has prepared me to take on future challenges in any competitive work environment. Exposure to real life work environment along with the gentle guidance of my colleague and supervisor has prepared me to step into the ever changing world where I think I can survive.

## Responsibilities

I joined Robi Axiata Limited on the 1<sup>st</sup> of September, 2015 and I worked with Mr. Fazly Rabbii for two weeks. He explained me all the work that I have to do throughout my internship period. As I have mentioned above that I was recruited for archiving project, however Mr. Rabbii left his job and I got some of his responsibilities on my shoulder. Therefore I was performing my task at the same time I was taking care of his responsibilities as well.

I was responsible for signing of the contract. Firstly, the contract would be signed by the vendors and they would mail the contract to us, once I got the contract on my hand then my task would start. My team members would mail a soft copy of the purchase approval of the contract then I would make a summary of the agreement. Summary helps the top management to go through the contract in a quick glance since they do not have much time to read page by page. Basically a summary contains the most important factors that is mentioned in the agreement and the

summary page would be just a single page where I would mention the vendors name, title of the contract, Reference number, amount, contact validity, buyer & user information along with the main signatory as well as the name of each individual who are going to sign the agreement in order to make it a binding agreement. Once I am done with the summary then I would go to the person who drafted the contract for his signature. After that I would take the contract to legal for their approval. Legal checks if all the condition are aligned with the purchase approval.

Secondly, I would take the contract to the buyer team that means the team who is procuring the item for which the contract is made. If you look at the units in Supply Chain Department then you will see that there are three procurement units namely IT-IS, Network Active and General Services. These teams buy all the goods necessary for operation, each team is specialized in buying specific things, for example, IT-IS basically deals with procurement of technological items whereas General Services Specialized in buying day to day necessities like office stationary, renting space for walk in center and so on. The individual who is directly involve in developing the Procurement Approval puts his initial on every page of the contract and thus declaring that whatever is written on every page is true and according to the specifications mentioned in the PA (Procurement Approval). This individual also signs the summary sheet where his/her name is mentioned. Then as a witness of this agreement the line manager of the procurement developer sign in the space for witness 1.

Thirdly, I would take the contract to the respective user team that means the team who request for the items to be purchased. There as well certain specified signing structure need to be followed. The individual from the user team who requested for procurement would sign on every page of the contract so as to check weather everything is according to the specification and thereby declaring that everything written on the agreement is valid. After that the line manager or supervisor of that person would sign on the space for witness 02.

Lastly, I would take the agreement to main signatory who is going to sign on the behalf of RobiAxiata Limited. Now here RobiAxiata Limited have a level of authority (LOA) which is who will be the main signatory for the contract in order for the contract to be enforceable. LOA is assigned based on the amount on the purchase value i.e. if the amount is below 5 million then the main signatory will be Head of Department, above 5 million but below 20 million then the main signatory will be Head of division and if it's between 20 million and 75 million then the



main signatory will be Chief Financial officer (CFO) and anything above 75 million will be signed by Chief Executive Officer (CEO). Therefore by looking at the amount we could figure out the main signatory. Once the signatures are completed then the documents are taken for Archiving. But before archiving begins I have to scan the agreements which take a very long time since there is only one good scanner and there are two intern in my floor, so we use the scanner turn by turn which is very time consuming. Then I e-mail the scan copies to my unit in order for them to distribute the copies to different users, buyers and vendor. At this point I separate the two copies of the same contract because one copy of the agreement stay with us and one of the hard copy is sent out to the vendor. Then the actual archiving starts.

Archiving documents is very important because one might never know when he/she needs the documents in emergency cases and getting it without much hassle is very crucial at that moment. It is also important for preserving the important company documents. Therefore the archiving is done in a systematic manner with great precision. Archiving is a very laborious job since it requires a lot of time and effort. First we need to organize the contracts according to the serial number then we need to make punch hole on the thick pages. Once the hole is made then it is stacked into a ring file then we need to look at the first and last contract in the ring file to put a tag on the back to identify the numbers of file that is there in a particular ring file. Before we move to another phase of the contract archiving process we need to check weather each and every contract is there or not and if some of them are missing then we need to check about their whereabouts at the same time we had to check the scan copy of each agreement and if we find that some of the scan copies are missing the we would find the hard copy and then we would make a soft copy which is to be kept in the digital file in the archiving section. When everything is in order then we would make a box where a numbers of ring file would be kept and packed nicely and then transport those boxes to warehouse for safe keeping. These are some of my responsibilities and apart from that I also take care of some of the works that my department wants me to perform such as scanning, meeting vendors when they come with the contract, delivering the contracts to the vendors when they come to collect the agreements. I also keep a close check on the whereabouts of the agreements like if a contract is not signed today then I have to keep a track of that particular contract so that the very next day I can go to that place to collect the contract and take it to the next person who is going to sign the contract. For this purpose I maintain a diary where I write down the place, time and person to whom I have



delivered the contract to. There are often a lot of contract in circulation so it is not possible for me to keep track of each and every contract and for that reason I maintain a dairy so that I can manually check about the whereabouts of the contracts. There are about fifteen interns in RobiAxiata Limited in different departments and each one of them is recruited for different project but some time we come together to perform certain specific task for example, Robi has launched its Young Talent Program (YTP) in November and all the intern came together to help out the recruitment team to put posters in various universities so as to let the future Leader know about its arrival and for this purpose all the intern from BRAC University visited the campus to put the posters. In December Robi sent out hundreds of letter to its stakeholders about an important meeting and there to some of us came together to perform the project, where we printed the letters to be sent out then compiled the pages together then prepared envelops which would be sent out to the external vendors. Therefore we were given the opportunity to work together as a team, learning to work in a team is very important for fresh graduate like us because in today's world where ever we may go we need to work in a group and achieving something a one is very important because we cannot work alone. Learning to work under pressure is also a key challenge in today's work environment because it brings out the full potential in a person and if we can keep calm and avoid making error and can deliver the job as expected then we can really do well in our career later on in our life. Rob does provide such environment where they put forth certain challenge in our work setting so that we can learn and can apply this learning in our life later on. Basically what I am telling is that it has been a great learning experience for me where I got to see the theoretical knowledge transform into practical knowledge. We were introduced to a real life work environment to prepare us for our future.

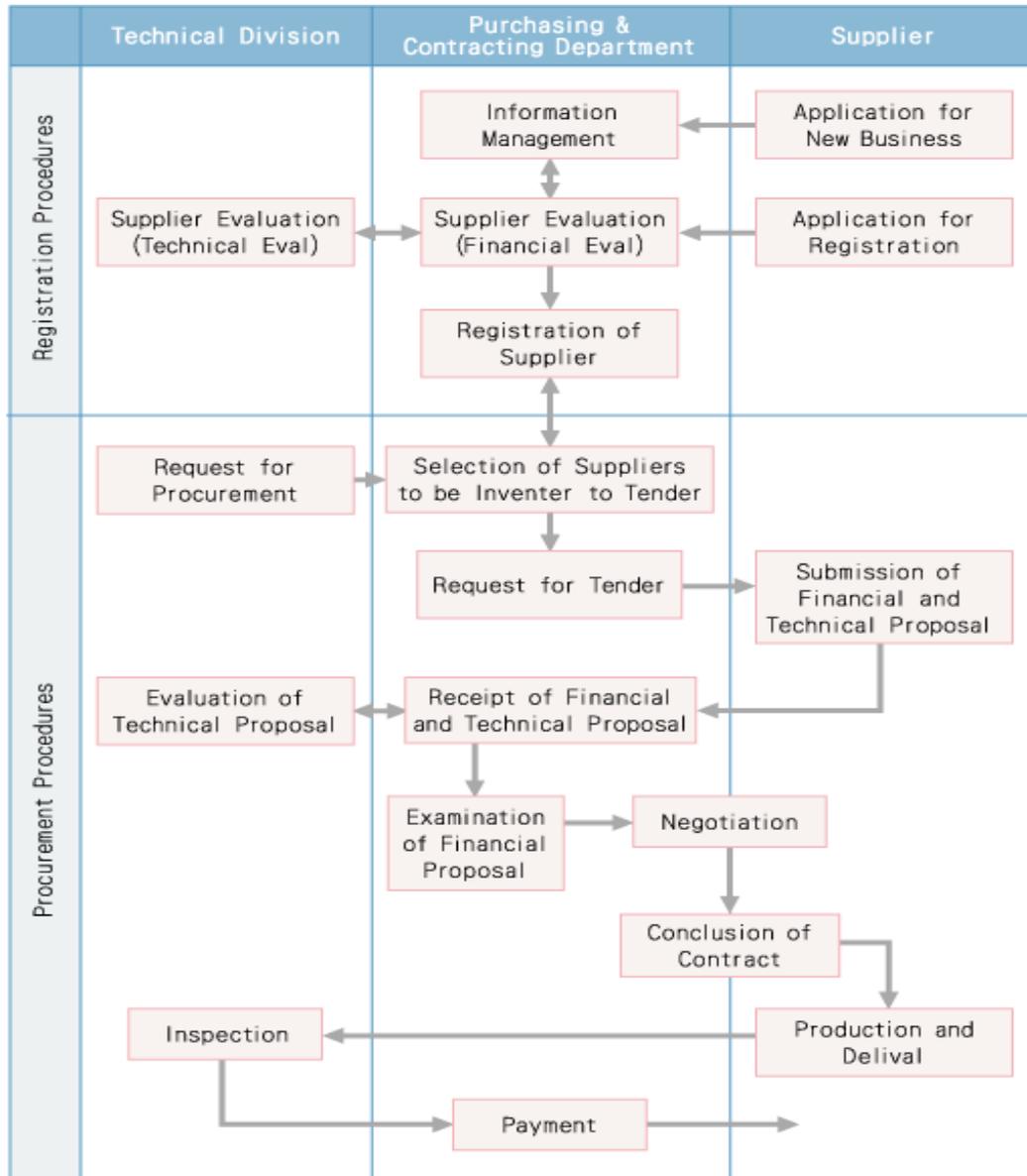


## Procurement and Contract signing process

All businesses need to go through various stages of development in order to grow and thrive. Introduction stage is the initial launching of the products and services into the target market then its undertake extensive marketing strategies to announce its arrival into that particular market that what means growing in terms of both capacity wise and efficiency wise. Once the brand is well known among the potential consumers it undergoes mature stage where the companies achieve efficiency in production at the same time make a substantial amount of revenue. Lastly it go through decline phase where the market become stagnant and further growth possibilities becomes very difficult. I am doing my Internship in RobiAxiata Limited where the business is in the early mature stage since they still have room for improvement at the same time they are doing pretty well in terms of market share and revenue. The project I am working on is very closely related to procurement, therefore I am going to critically look into the procurement process of Robi Axiata Limited and check with the theoretical knowledge that I have acquired throughout my four years of University education. Furthermore I will analyze each component critically to find room for improvement which will be discussed in the recommendation part of my report.

**Procurement** is the act of acquiring, buying goods, services or works from an external source. It is favorable that the goods, services or works are appropriate and that they are **procured** at the best possible cost to meet the needs of the acquirer in terms of quality and quantity, time, and location (Delft, 2010). Procurement is very important for Robi Axiata Limited since they are completely dependent on third party for each and every necessities because they themselves do not produce any item that they use in running their business but they buy or lease technical equipment from thirds parties and these equipments are very expensive at times and they need to proceed with great care in order to obtain such items. Therefore they invest a lot of time and money to make sure that they get what they what in a well-defined manner. Robi Axiata Limited have different teams for procuring different items and these teams are specialized in obtaining certain kind of items for example IT/IS specialized in obtaining technological items where as General procurement deals with office supplies and daily necessities, on the other hand Network Active deals with network related items. Given below a standard flow chart for procurement

process and I will describe each component whether RobiAxiata Limited is following this process or not.



## Supplier Evaluation

Supplier evaluation is conducted at the tender stage and can be in the form of either a questionnaire, interview or site visit to assess the supplier's capability in terms of capacity, financial stability, quality standards, performance and organizational structure and processes in place. Both existing and potential suppliers are scored on suitability and either approved or rejected to be added onto the approved supplier list (ASL). This helps to improve existing suppliers performance and also can periodically ensure you have the right sized and fit of suppliers on you approved list. Robi Axiata Limited treat its suppliers as partners so as to increase their ownership in the business. A responsible supplier will always perform better because if he does well then the business will do well and in return both will be benefited. When we have ownership in a business it increases liability and if we possess liability we are obliged to perform better since we are interdependent on each other. There are lot of responsible supplier who are working hand to hand with Robi which I am not privileged to discuss in my report. Evaluation of Suppliers is done based on the credential in the market, financial background, past record & performance.

When Robi want to buy something they contract the suppliers and if they are interested then they apply for registration and if they are shortlisted for that particular project then Robi conduct a background check to verify its credential. This process if followed for all the shortlisted candidates and these candidates makes the primary pool of suppliers and ultimately some on from them gets the tender or sometime Robi divide they work among many suppliers and it is basically depends on types and nature of the procurements. These shortlisted suppliers will get most of the project that Robi plans on working with.



## Request for Procurement

As I have mentioned earlier that businesses need to procure raw materials, Supplies and Services in order to continue its operation and Robi is no different but they extensively rely on third parties for various supplies to resume its operation in the market. Robi Axiata Limited have Supply chain department and this department deals with buying of necessities and some time they also sell off the used and scrap items which are no longer required. Here Supply Chain department consists of many units that are specialized in buying different items and they are known as the buying teams. Whereas the departments who wants something or need something for various purpose is called the user team.

When a unit for example technology needs to buy network tower for expansion of network coverage throughout a particular region, they request for a purchase approval and this approval will be generated in the supply chain department. As i have mentioned earlier that each unit is specialized in buying particular items so in this case IT/IS procurement unit will handle all the steps and procedure to procure the Network tower.

Initially Robi will look at the supplier pool which they have gather in the supplier evaluation process and they will notify these vendors that they are in need for certain item and whoever is willing to participate in this process should send a proposal. Once the vendors present their proposal with primary cost according to the specification, Robi will call for a meeting which will involve the three parties like the buyer unit, user unit and the vendors. In this phase they will discuss about the specification and cost negotiation at the same time they will analyze their options regarding to whom they should place the order with. After that each vendors will come up with a price which is known as the revised price and then there will be a one table meeting with the buyer and user team to check about the price and specification and after cost- benefit analysis they will finally decide to who they should place the order or should they divide the order among many other vendors who participated in the revised price meeting. Finally a order is placed and after that they move into the generation of Purchase approval.



## Generation of Purchase approval

In this phase the buying teams officially generate a purchase approval (PA) by using SAP software. Where all the aspect of the product with its specification, scope, validity, purchase amount, Name of the requestor, Name of the Supplier, Name of the buyer along with every details will be mentioned in the purchase approval.

The person generating this form will have the initial request form along with the revised price from where he will simply put the information in the software along with all the details that is available at that moment. There will be a code number for each Purchase approval and it will be available with the person who is responsible for generating one.

When the purchase approval is ready it will circulate for signature to proceed to the next phase of the procurement process. This is a short summary for the entire process where only the important aspect of the project is mentioned and this paper is signed by the head of the department and the Chief Executive Officer. Since these people rarely have enough time on their hands to go through the entire aspect of the project so the procurement approval help them to give an idea about the project's important aspect.

Once the procurement approval is signed the next phase starts where they approval note is sent to the legal team for various reason but most importantly for the formulation of a legally binding contract. Robi Axiata Limited is a multinational organization and they are legally compliance to each and every country's law, since their operation deals with a lot of money and time verbal contract has a very little consideration. Therefore they always make sure that whenever they do business with someone they do it in a proper and lawful way. Since verbal agreement has a little meaning they formulate legally binding contract, if something go wrong then they will have the scope to enforce this contract in court. Therefore this phase of the procurement process have a significant impact to its operation process and for this reason collaboration management comes into play who solely handle the development of legally binding Agreements.



## Developments of Agreements

When the procurement approval is completely signed, it is then sent to the legal for vetting and if the legal thinks that it is in accordance with the specification and its meeting all the scope of the primary agreement then they send it to collaboration management for formulation of a legally binding contract.

Collaboration management team has developed a general format for certain types of agreement over the time. Therefore when they prepare the agreement they simply look at the specifications mentioned in the Purchase approvals and plug in the scope and specification to formulate a primary agreement. Once this phase is complete then they send the agreement to the vendor, buyer team, user team and legal for further investigation whether it is according to the specification or not. If any of the parties think that it is not what it should have been then they add whatever they think is appropriate in a section called the note. Then the person who is developing the contract looks at it and correct the initial agreement. Once it is corrected it is then again sent to all the parties for a review and this time if there are more feedback then the agreement is once again corrected and this process goes on until all the parties involved says that it is ok. After the final correction when the agreement is ready it is sent to the legal for its final vetting and once the legal give his/her clearance the agreement is finally ready.

Collaboration management unit is headed by Mahbub Ahmed Chowdhury and under him there are three other members to help him perform his job and coordination and understanding is the main force that drives this team towards excellence. I am lucky enough to get the opportunity to work with this team and to learn a lot from them. Therefore I am working under the direct supervision of Mahbub Ahmed Chowdhury. In this phase of the procurement process my role comes into play, once the contract is printed out I would put Seal on every page of the contract and deliver it to the vendors. Most often the vendors come to collect the contract or sometime we mail the contracts via courier if they vendors are from abroad or out of Dhaka.



## Contract signing Process

The printed contract is sent to the vendor for their signing where two witness sign the contract and a representative or head sing the contract on behalf of the vendor organization. Once their part is completed they send the contract to Robi Axiata Limited for their signing. The signing page contains two columns and three rows and one column is dedicated to vendor whereas the other Colum is dedicated to Robi Axiata Limited. The contract signing process is similar for both the parties, once Robi receives the contract it is circulated for signing. I am responsible for circulating the Agreement and make sure that everyone signs the contract. I have discussed all the steps that I follow in order to get the contract sign in my job responsibility part. While performing my task I have come across many difficulties and also I have observed certain flaw in the process but this flaw in a minor issue since it is just a little deviation from the set of rules and procedure that Rrobi follows which I will further elaborate in my findings and analysis part. From our side two witnesses, one from the buyer team and one from the user team sign the contract on the witness space and according to the level of authority the main signatory sign the contract.

When the signing process is completed the contract is legally enforceable by law, as I have mentioned earlier that verbal agreement has a very little meaning when participating in a large multinational transaction. That means that whatever is mentioned in the contract both the parties will have to honor it.

In the contract it is also mentioned that if any one of the party wants do back down from the deal will have a scope given the consequences. Therefore escape clause will allow both of them to terminate the agreement. After completion of the binding process the next phase comes into action which is generating the Purchase Order.



## Generating the Purchase Order

A **purchase order (PO)** is a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer. Sending a PO to a supplier constitutes a legal offer to buy products or services. Acceptance of a PO by a seller usually forms a one-off contract between the buyer and seller, so no contract exists until the purchase order is accepted. Once the PO is issued the buyer finally place his order to the seller and also legally informing the seller that if what so ever any discrepancy occurs that contradicts the specification mentioned in the contract will have the right to return the goods or terminate the contract or may also ask the vendor to replace the defective products or services which ever they are dealing with.

Vendors will have to follow the specification mentioned in the Purchase order since form the very first meeting they have discussed about the product specification with its cost so now they cannot go back on their words. Therefore, vendors will provide the items for which the contract is made.

## Delivery of Goods

Robi Axiata Limited have warehouse in Savar, Tongi and Chittagong and all the goods should be delivered to one of these warehouse. It is vendor's responsibility to deliver the goods to the warehouse, until the goods arrive at the warehouse if any sort of damage occur then it will be vendor's responsibility.

Once the goods are delivered the vendor is no longer liable for the product. The warehouse is designed in such a way that it controls all the parameter to keep certain item that they do not get spoiled, for example they control humidity level since humidity cause fungus invasion, temperature and the storage shelves are designed to protect the goods as well.

## Supply of Goods

The goods are stored in the warehouse and from there they distribute the goods according to the need of the user. For example Stationary items such as paper, pen & pencil, tissue box etc. are bought in a bulk and they are stored in the warehouse and from there they distribute the goods according to the request form. A request form is issued for certain item which is sent to the people & corporate department and they contact the warehouse authority. According to the request form the warehouse authority send the goods to the requester's department.

## Recommendation

Robi Axiata Limited is a well-structured and well-functioning multinational organization with a very clear vision and goal to be the number one Telecom operator in Bangladesh. They are listed as Globally High Performing Company (GHPC) also recently they have been awarded as Bangladesh's number one socially devoted brand. They are currently growing at a rate which is above the market's average growth rate for Telecommunication Industry. Therefore, Robi performance is very good when compared to the rest of the Telecom Companies in Bangladesh. However, they are not yet the market leader but they are taking steps toward becoming the market leader. For such a high performing company giving recommendation is quite a challenge. However there are few areas where they have room for improvement.

- ❖ Issuance of Purchase Order- If we critically look at the procurement process then we can see that purchase order is issued after the signing of the contract but I have fund that purchase order or work order has been issued before the signing of the contract. A well-organized organization should strictly follow the established set of rules and procedures. Although a purchase approval indicates that there is a contract between the vendor and the buyer but if there is a system we should stick to it. I have fund this deviation and this happens in a very emergency cases. Therefore I recommend that Robi should come up with a contingency plan to mitigate an emergency situation.
- ❖ Digitalization of Contract signing Process- I was responsible for the contract signing process and I have come across a lot of problem while performing my task. Firstly, it is very time consuming since the contract needs to be moved physically from table to table.

Secondly, if one of the designated people whose approval is required on the contract is absent the entire process comes to a halt since the signing process is a step by step process. Lastly, if the contract contains a lot of pages it takes a long time for the signatory to put his/her initial on the pages which ultimately decreases the lead time. Therefore, contract signing process should be digitalized so that it can take less time and energy which will ultimately induce efficiency in its process. I have heard that there are some people who have already started working on this process to make contract digitalized

- ❖ Integrated communication- I have come across some communication gap between the employees. For example in my department people are very professional and they do everything by the book and follow the company principle but some time I see that intra departmental communication is somewhat blurred. For example, after contract signing process the scan copy is mailed to the buyer and user team but some time it is seen that they are asking for the scan copy whereas the contract is not yet signed. So I presume that a proper communication is not maintained to notify the users or buyer about the whereabouts of the contract.
- ❖ Selecting Vendors- Vendor has to be selected from the enlisted vendor pool. As I have discussed earlier that in the very beginning Robi maintain a Primary vendor pool and vendors should be selected among them and not from external source.
- ❖ Endorsement of vendor-In case of General and Admin Procurement I am recommending to eliminating this step. Instead Robi will have a strong vendor pool and there will be a vendor appraisal process, may be quarterly/half-yearly. Based on the appraisal vendor will be ranked. SCM will select vendor and float RFQ based on the latest vendor ranking.



## Conclusion

The project I have undertaken has given me a lot of insight about the procurement process not only for Robi but as a general. Before I undertook this project I had a very little idea about the comprehensive process but now after getting first hand experience I am able to make sense each and everything that I have learnt in some of my courses such as MSC 301. The critical evaluation of the entire process has also given me the opportunity to put some of my own opinion on the ongoing process to indicate the room for improvement.

I have worked on archiving project for which I was recruited for the last three months and in addition to that I have also worked on some of the other project. At the end of my Internship period I have successfully completed the archiving project; however there is a little work to be done to completely finish the project since most of the work is completed but to wrap up the project they need to send the hard copy of the document to the warehouse where it will be stored for future reference.

To complete my Internship I have taken procurement process as my subject study and I have described all the process in the main body. This is an extended process and I was recruited to perform a certain aspect of this project, however as I was working there I have seen the entire process and also spoke to some of the employees who are engaged in this project. So with keen observation and general queries I have gathered all the information that I have discussed in my report.

The difficulties that I have faced while working on this project is that insufficient information since most of the employees work on SAP and as a fresh graduate we are yet to be introduced to such software so I faced a challenge because I often did not understand the working principle on SAP. When I asked about it I couldn't get a clear idea about it on the other hand I am not allowed to provide any confidential company information on my report. SAP users had ID and password to gain access as a result it was more difficult for me to explore the working principle.

However, with the help of my fellow team members and colleagues I am able to put together an insightful report on Procurement process. Robi Axiata Limited is a multinational organization with high esteemed brand image both in national and International boundaries with a high



performing and self-motivated team of employees who has been working hard to take this organization to a whole new level. Each and every department is equally important for its success and I have described the work that Supply Chain Department is doing at the moment.

To conclude I would like to say that Robi is really doing a good job in Bangladeshi market where they are equally participating in Corporate Social Responsibility activities as any other multinational organization is doing or even more. My report suggests that Robi is really following the standard procurement process to ensure quality and efficiency. However there is a negligible error that can be overcome easily by their efficient workforce.



## References

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