



Inspiring Excellence

Internship Report

Procurement Policy of Siemens Healthcare Limited

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Date: 17/12/18

**“Internship Report on Procurement Policy of Siemens
Healthcare Limited”**

Letter of Transmittal

17th December, 2018

Dr. Suman Paul Chowdhury

Assistant Professor,

BRAC Business School,

BRAC University

Subject: Submission of Internship Report on, “The Procurement Process of Siemens Healthcare Limited”

Dear Sir,

With great gratification we would like to inform you that, I have completed my research Internship paper and submitting the report on, “**The Procurement Process of Siemens Healthcare Limited**”. I have made this report mainly on the basis of my personal experience working at Siemens and also with the help of my respected supervisor at Siemens Healthcare Ltd. Mr. AS MD Manjur, performance controller, commercial department. This report was based mostly upon primary data, though I have also taken some information from secondary data. Here I would like to express my utmost gratitude to you. Your suggestion and guidance kept us motivated to do the research report and finish it successfully.

Yours Sincerely,

Nafees Mosharraf

ID: 14204075

Letter of Endorsement

The office Report entitled “Procurement method of Siemens Healthcare Limited” has been submitted to the workplace of placement & Alumni, in partial fulfillment of the wants for the degree of Bachelors of Business Administration, Major in Accounting, BRAC Business School, BRAC University on Dec, 2018 by Nafees Mosharraf, ID: 14204075.

The report has been accepted and should be bestowed to the office Defense Committee for analysis.

(Any opinions, suggestions created during this report area unit entirely that of the author of the report. The University doesn't excuse nor reject any of those opinions or suggestions.)

Dr. Suman Paul Chowdhury

Internship Supervisor

ACKNOWLEDGEMENT

First and foremost all praise to the almighty and the merciful, Allah (SWT). Without the blessing of the almighty this report would not have been accomplished. The successful completion of this report would not be possible in time without the help of some individual whose inspiration and suggestion made it happen. First of all, I would thank my faculty advisor Dr. Suman Paul Chowdhury Sir for his valuable time and advice for making this Final Internship Report a possibility, and Mr. Hasan Maksud Chowdhury Sir also for providing the format for preparing this report. Then I would like to show my gratitude and thank all my colleagues at Siemens Healthcare Limited for showing their continuous support towards me enabling me to complete my internship report in due time. I would like to give special thanks to my supervisor at Siemens Healthcare Limited, Mr. AS MD Manjur, and performance controller of this company for his compassionate help. I was closely attached with him during my internship tenure. Lastly, I would like to acknowledge the contributions of various articles and publications which helped me to enhance my knowledge which contributed significantly in preparing my paper. Last but not the least, I thank **BRAC University & SIEMENS** for allowing me to conduct the research and writing the report.

Executive Summary

The report is part of my internship program which I have done as a requirement of the BBA program at BRAC University. This report is completed based on my three months internship in Siemens Healthcare Limited (SHL). This is an orientation report that contains the real life day to day working experience of different tasks in sales, commercial and service departments of SHL. The first section of this report consists of an introductory half that has been developed for the correct execution of the whole report. Second part explains the working experience of my internship period with the sales team and corporate communication of SBL. The remaining part consisted of analysis, findings, recommendations and conclusion. SBL is one of the leading Multinational Company in the world. For Siemens, being a pioneer means more than promoting new technologies and fostering innovation. Siemens determined to break new ground, launching cutting-edge products that can be integrated into proven solutions. And its employees are pursuing this aim with great conviction and passion. The kind of cooperation that allows all players to relinquish their best, shoulder their responsibilities and leverage their strengths is what brings forth true pioneering achievements, whether or not in 1847 – the year Siemens was supported – or nowadays. And Siemens pioneering spirit ensures that Siemens will continue providing answers to the questions of the day well into the future. To serve the customers SBL performs some activities like highly qualified product, hurry up payment, and flexible product price etc. Moreover, the SBL is very careful to its all rules and procedures. The SBL has more competent managers in every sector and their employees are also much competent. And they are so sincere to their duties. Particularly corporate Dept. is very much careful to their duties. So they also maintain their procedures guide lines.

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Chapter 1: Introduction

1.1: Introduction

Medical imaging is that the technique and method of making visual representations of the inside of a body for clinical analysis and medical intervention, also the visual illustration of the operation of some organs or tissues (physiology). Medical imaging seeks to reveal internal structures hidden by the skin and bones, to properly diagnose and treat sickness. Medical imaging conjointly establishes an info of traditional anatomy and physiology to form it attainable to spot abnormalities. Though imaging of removed organs and tissues will be performed for medical reasons, such procedures square measure sometimes thought of a part of pathology rather than medical imaging.

As a discipline and in its widest sense, it's a part of biological imaging and incorporates radiology that uses the imaging technologies of X-ray radiography, resonance imaging, medical tomography or ultrasound, endoscopy, electrography, tactile imaging, diagnostic technique, medical photography and medical specialty practical imaging techniques as antilepton emission imaging (PET) and Single-photon emission computed axial tomography (SPECT).

Siemens Healthcare can be considered as a medical technology, imaging, service, and software & support company under Siemens AG.

1.2: ORIGIN OF THE REPORT

Any educational course of study features a nice worth once it's utilization in real world. Solely a great deal of theoretical information are very little vital unless it's applicable in sensible life. Thus, we want correct application of our information to get some benefit in our theoretical information to create it additionally fruitful. As a result, Internship program is a pre-requisite for getting BBA Degree from BRAC Business School, BRAC University. The whole BBA program is designed to run 12 semesters within a span of 4 years. The internship program is dedicated for the last semester and it's got a similar weight as different courses within the evaluation process. As the room discussion alone cannot build a student excellent in handling the ideal business scenario so, it's a chance for the students to grasp concerning real world scenario through this office program.

1.3: OBJECTIVES OF THE REPORT

As this Internship program was part of my study my initial objective is to satisfy the need of my graduation level. As I started operating in Siemens Healthcare LTD. I felt associate interest in the Procurement Policy of Siemens Healthcare LTD.

General Objective:

The essential target of this report is to analyze the “Procurement Policy of SIEMENS Healthcare LTD.”

Specific Objectives:

The specific objectives of the study are:

- To evaluate the Procurement Policy of Siemens Healthcare LTD.
- Trying to find out the present performance of the company.
- Trying to evaluate the operational efficiency of SHL.

1.4: METHODOLOGY OF THE STUDY

The overall process of methodology is given in the form of flowchart that has been followed in the study:

A. Selection of the topic and contents:

I selected the topic of my study and my supervisor Dr. Suman Paul Chowdhury approved the topic. After having selected the topic, I discussed with my organization supervisor in SIEMENS Healthcare LTD. to prepare a well-organized Internship report.

B. Identifying data sources:

Primary and Secondary knowledge were used and therefore the study also needed interviewing the officers and staffs wherever necessary. Moreover, customers were interviewed for survey functions. Information was collected to furnish this report both from Primary and Secondary sources.

I. Primary Data:

Discussion with the respective organization's officials.

II. Secondary Data:

For the completion of the present study Secondary data has been selected. The main sources of secondary data are:

- Annual report of Siemens Healthcare LTD.
- Website of Siemens Healthcare LTD.
- Different books, Journal, Periodicals, News Papers.

C. Classification, Analysis, Interpretation and Presentation of data:

To classify, analyze, interpret and presentation of data, some arithmetic and graphical tools are used to understand them clearly.

D. Findings of the study:

In this stage, problems of the study are pointed out they are shown under concerned heads. Recommendation are suggested thereafter to overcome the problems.

E. Final report preparation:

As an internship report, it is considered as a long formal report. So the structure of a long formal report is followed on the basis of the suggestion of our honorable supervisor, some deductions and additions are made and final report is prepared thereafter.

1.5: SCOPE OF THE STUDY

This report covers the details of the Procurement Policy of Siemens Healthcare LTD. It consists of the writer's observations and job experiences during the internship period in commercial department.

As I used to be an intern, my scope was restricted and restricted for a few purpose. I had maintained some official formality for the gathering of information for my report. This study will give a clear idea about the process for procurement policy of SHL.

1.6: LIMITATION OF THE STUDY

Though I actually have given utmost effort to arrange this paper however there square measure some limitations of the study. They're as follows-

- As I was a newcomer and had no previous experiences to work in a multi-national company and many practical matters in the SHL were in written form so my own observations may vary from person to person.
- It is a common tendency of any departments to keep back their departmental data and information.
- There were various types of information's that the executives cannot disclose due to the security and other corporate obligations.

Chapter 2: Siemens Healthcare

2.0: Company Overview

Siemens Healthcare (formerly Siemens Medical Solutions, Siemens Medical Systems) is a medical technology company and is headquartered in



Erlangen, Germany. The company dates its early beginnings in 1847 to a little privately-owned company in Berlin, helped to establish by Ernst Werner von Siemens.

Siemens Social Healthcare is associated with the bigger partnership, Siemens AG. The name Siemens Medical Solutions was received in 2001, and the change to Siemens Healthcare was made in 2008. In 2015, Siemens named Bernd Montag as its new worldwide CEO.

Worldwide the organization has 45,000 representatives, the greater part of them in Germany (contrasting with 46,000 at GE Healthcare and 33,000 at Philips Healthcare) and 17.2 billion US-\$ deals in 2007 (16.997 billion US-\$ for GE).

The historical backdrop of Siemens Healthcare is gigantic. It is portrayed in brief beneath:

19th Century

The history of Siemens Healthcare started in Berlin within the mid-19th century as a section of what's currently referred to as Siemens AG. Siemens & Halske was supported by Werner von Siemens and Johann Georg Halske on twelve Oct 1847. The corporate fashioned around an invention created by Siemens referred to as the pointer telegraph. Supported the telegraph, Werner von Siemens' new invention used a needle to purpose to the sequence of letters, rather than Morse code. The corporate, then referred to as Telegraphen-Bauanstalt von Siemens & Halske, opened its 1st workshop on twelve Oct. Eventually, the new company enclosed electrometrical instruments and specialized in medical technology.

Three years antecedently, in 1844, Werner von Siemens place one among his inventions to use for medical functions for the very first time, victimization electricity to treat his brother Friedrich for tooth pain. When teaming up with Halske, the new company's merchandise enclosed electro medical instrumentation. In Erlangen, Erwin Moritz Reiniger set the cornerstone for Reiniger, Gebbert & Schall, and an organization specializing in medical technology.

In 1896, only 1 year when Wilhelm writer Röntgen discovered the X-ray, Siemens created the primary industrially factory-made X-ray tubes for medical medicine.

20th Century

In Aschaffenburg, Germany, X-ray pioneer Friedrich Dessauer based his own company, that later came to prominence underneath the name Veifa-Werke. The businesses maintained shut ties with one another, finally merging in 1932 to make Siemens-Reiniger-Werke (SRW). The corporate presently came to be viewed as the world's largest specialized electro medical company. Later, in 1933, Siemens introduced rotating anode tubes for x-rays that could face up to a lot of bigger electrical loads, parturition the inspiration for the event of recent X-ray tubes.

Supported by Siemens in Erlangen, Germany, Inge Edler, a Swedish doc, and scientist Carl Hellmuth Hertz were intrigued by the concept of using ultrasound technology to realize a lot of precise heart diagnoses. In 1953, they became the first to use the ultrasound technique for diagnostic technique. Today, this powerful ultrasound method could be a normal part of all cardiovascular examinations.

In 1958, Elema-Schönander AB (subsequently Siemens-Elema AB) developed the primary cardiac node planted during a critically unwell heart patient by medico, Åke Senning.

Siemens engineer Ralph Soldner developed the world's 1st "real-time" ultrasound unit, the Vidoson, within the Nineteen Sixties. With this technology, technicians were able to read movements within the body on a screen right whereas they were happening, a feature that became particularly necessary in OB and medical specialty.

The company introduced its 1st computerized axial tomography scanner, the Siretom, in 1975, a year after it exhibited its 1st tomographic image of a personality's head at the annual meeting of the imaging Society of North America in Chicago. A typical examination took but six minutes. The bone is scanned from numerous directions by X-ray tube and a detector unit, and a picture of absorption distribution within the brain is generated within the pc.

The first resonance imaging (MRI) scanner, Siemens' MAGNETOM system, came to the market in 1983. With the help of powerful magnetic fields, MRI scanners turn out high-quality cross-

sectional pictures while not exposing patients to radiation. The sectional pictures displayed tissues and organs additional clearly than ever before.

Siemens introduced the primary track-based laboratory automation system—the ADVIA LabCell Automation answer in 1998, granting inflated potency and reduced prices.

The company’s imaging devices use syngo, a picture process software package developed by the corporate in 1999. The software package provides one program for an outsized variety of imaging systems, desegregation patient-specific physiological and imaging knowledge into clinical workflows.

21st Century

Siemens was the primary to mix positron emission tomography (PET) with computed tomography (CT). By making this hybrid imaging system, Siemens combined the PET scanner’s ability to ascertain biological processes of life with a CT systems anatomical image of tissues and organs. In doing thus, the mix system offers an additional elaborated image of anatomy and biological operation. Time magazine named the Siemens Biograph, the world's initial industrial PET-CT scanner, the "Innovation of the Year" in 2000.

In a similar fashion, Siemens launched the Biograph mMR in 2010, the primary scanner to utterly mix imaging and PET technologies. Like PET-CT, PET-MR hybrid systems mix multiple technologies to supply a more robust image of the body, enabling for higher diagnoses, analysis and treatment plans for patients. It combines precise pictures of the body's organs from imaging with metabolic cell activity from PET.

In May 2016, Siemens AG rebranded the aid division from Siemens Aid to Siemens Healthcare. The amendment mirrored a part of the Siemens silver Vision 2020 strategy proclaimed nearly 2 years antecedently that its healthcare business would be one by one managed as an organization among the corporate with a brand new structure setup.

2.1 Company Profile


Company Name	Siemens Healthcare LTD
Logo	
Type	Public Limited company
Traded as	DE000SHL1006
Industry	Healthcare
Founded	1847
Headquarters	Erlangen, Germany
Area Served	Worldwide
Key People	Bernd Montag (CEO) Jochen Schmitz (CFO)
Number of employees	45,000 (2016)
Parent	Siemens AG
Product	<ul style="list-style-type: none"> ➤ Angiography and Interventional X-ray Systems ➤ Computed Tomography ➤ Radiation Oncology ➤ Laboratory Diagnostics ➤ Molecular Diagnostics ➤ Molecular Imaging ➤ Magnetic Resonance Imaging ➤ Point-of-Care Diagnostics ➤ Refurbished Systems ➤ Services ➤ Syngo Imaging Software ➤ Ultrasound ➤ X-ray Products
Website	www.healthcare.siemens.com

Table 1: Company Profile

2.2 Vision

We are a leading medical technology company with over 170 years of experience and 18,000 patents globally. With more than 45,000 dedicated colleagues in over 70 countries, we will continue to innovate and shape the future of healthcare.

2.3 Mission

We make real what matters by setting the benchmark in the way we electrify, automate and digitalize the world around us. Ingenuity drives us and what we create is yours. Together we deliver.

2.4 Values

Our Values - Responsible - Excellent - Innovative - have been the basis for Siemens Healthcare success for over 160 years. Responsible means that we are committed to ethical and responsible actions. Our excellence is based on achieving high performance and excellent results. We choose for innovation to create sustainable value.

2.5 Strategy

To be the pioneer of our time – that’s the vision that motivates us in everything we do. And our strategy shows us how to make it a reality. We’re aiming to capture and maintain leading market and technology positions in all our businesses in order to achieve sustainable profitable growth and thus, continually increase our company value.

Our strategy is reflected in our three strategic directions:

- Focus on innovation-driven growth markets
- Get closer to our customers
- Use the power of Siemens

2.6 Product Gallery



Figure 1: Photo Gallery

2.7 Competitors

Competition in the healthcare industry can be identified by interpreting the revenue of major players within the industry.

SI No.	Company	Revenue Yearly 2017
01	Siemens Healthcare	USD 16 Billion
02	GE Healthcare	USD 19 Billion
03	Philips Healthcare	USD 5 Billion
04	Carestream Health	USD 2.4 Billion
05	Toshiba Medical Systems	USD 0.54 Billion
06	Agfa HealthCare	USD 3.2 Billion
07	Hitachi healthcare	USD 0.3 Billion

Table 2: Competitors

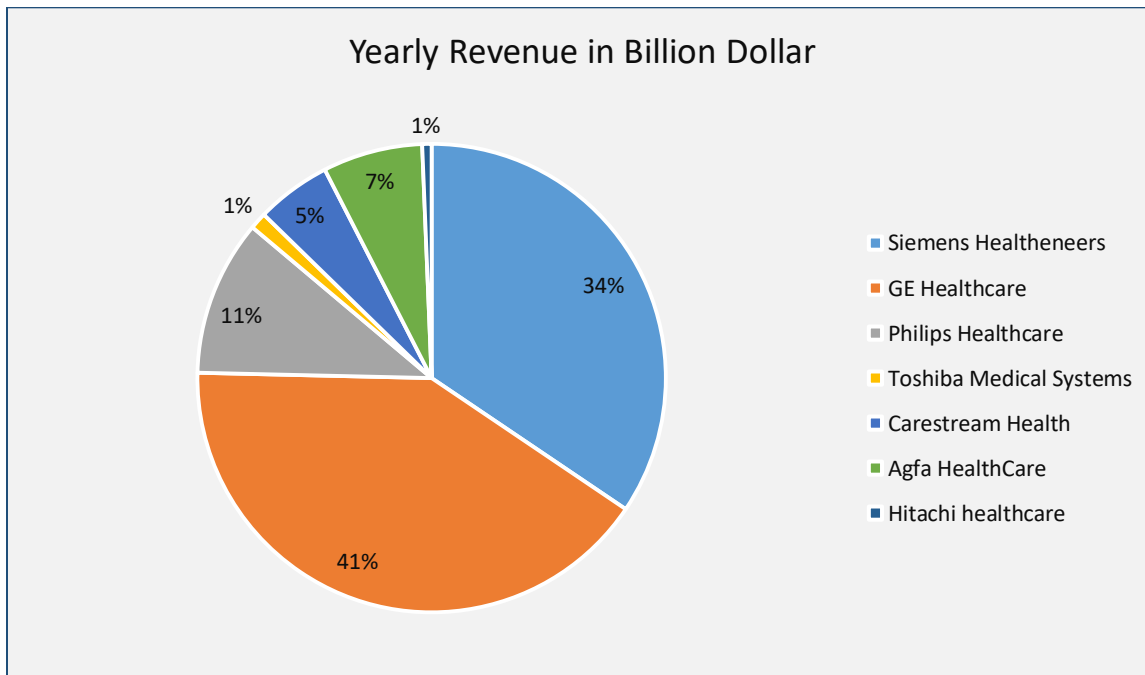


Figure 2: Competitors

2.8 Siemens Healthcare LTD in Bangladesh

Siemens Healthcare LTD. began their business in Bangladesh back in 2016. They are a division of Siemens Bangladesh Ltd. In total there are 54 employees working in SHL.

Engineer Mr. Hafizur Rahman Khan is the Managing Director (MD) of SHL Bangladesh; and the Executive Director-Finance & BA is Mr. G.M. Menon.

Currently, Siemens Healthcare LTD is the market leader in medical imaging healthcare industry in Bangladesh.

Some other known companies operating in the same market in Bangladesh are,

- General Electronics Healthcare
- Philips Healthcare
- Toshiba Medical Systems
- Hitachi healthcare
- Shimadzu Corporation
- Other Chinese and Korean companies.

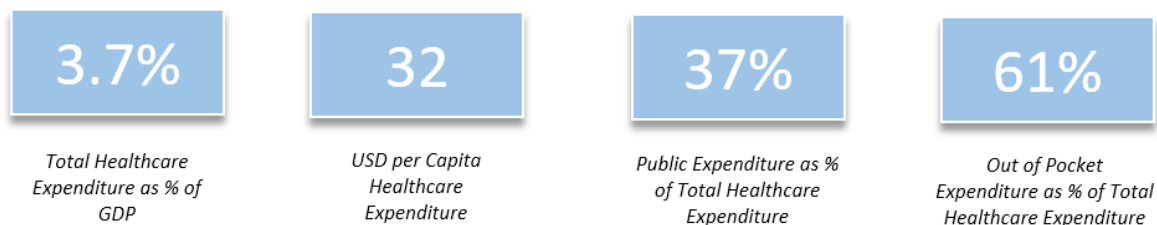
Siemens Healthcare LTD were the only company in healthcare industry who had their mother company operating in Bangladesh. In recent times, General Electronics & Phillips has also launched their business in Bangladesh after understanding the market demand for healthcare in our country.

2.9 Bangladesh Healthcare Industry

The state and level of healthcare in Bangladesh can be divided into three categories depending on the type of service a patient is required,

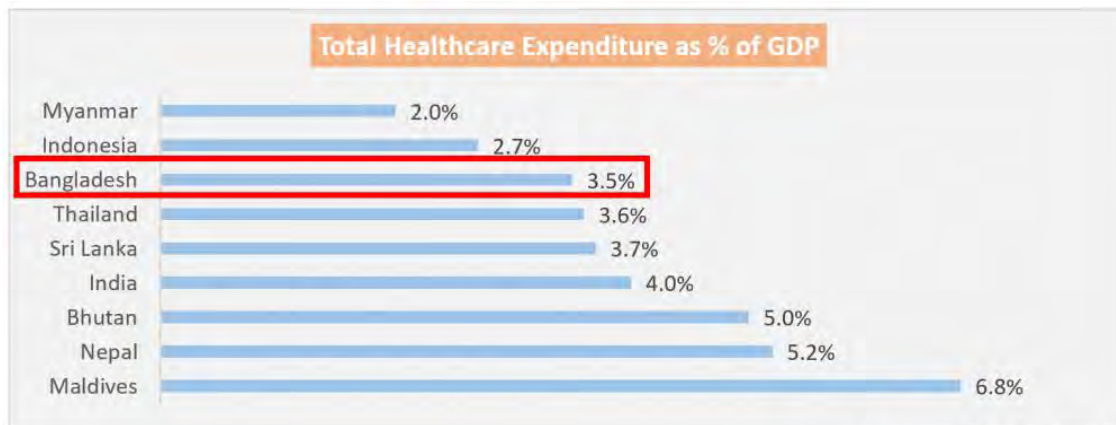
- i. **Primary Care:** Basic or general health care historically provided by doctors trained in: medical practice, pediatrics, medical specialty, and sometimes medicine.
- ii. **Secondary Care:** The medical aid provided by a medical practitioner who acts as an authority at the request of the first medical practitioner.
- iii. **Tertiary Care:** Specialized advisory care, typically on referral from primary or secondary medical aid personnel, by specialists operating in an exceedingly center that has personnel and facilities for special investigation and treatment.

Industry in numbers



Healthcare Expenditure

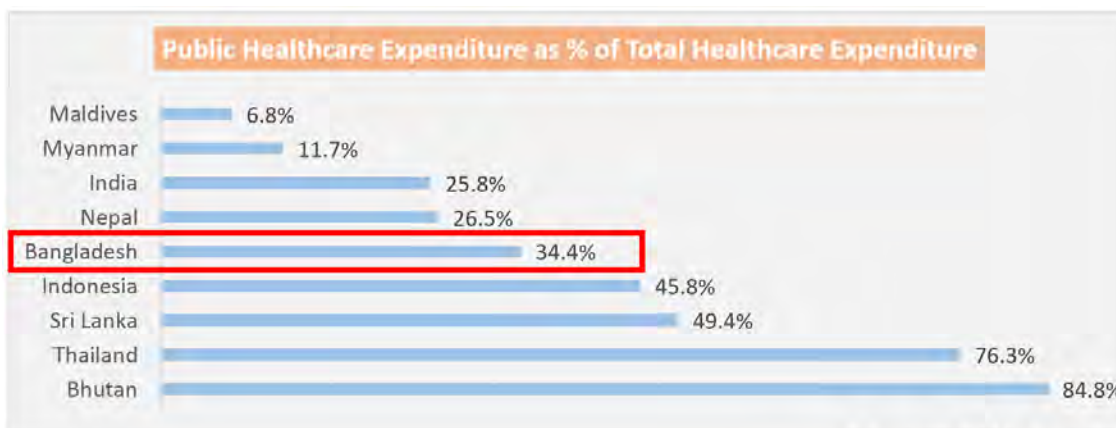
In recent times, the 57th largest economy within the world, Bangladesh has been creating vital socio-economic developments. GDP has been growing at a median rate of 6-7% over the past decade. However, despite rising healthcare indicators like decline in mortality rates and increase in average life expectancy, the health sector of the country is nonetheless to achieve its full potential. Total aid expenditure stands at solely 3.5% of total GDP of the economy.



Source: WHO Database, 2007

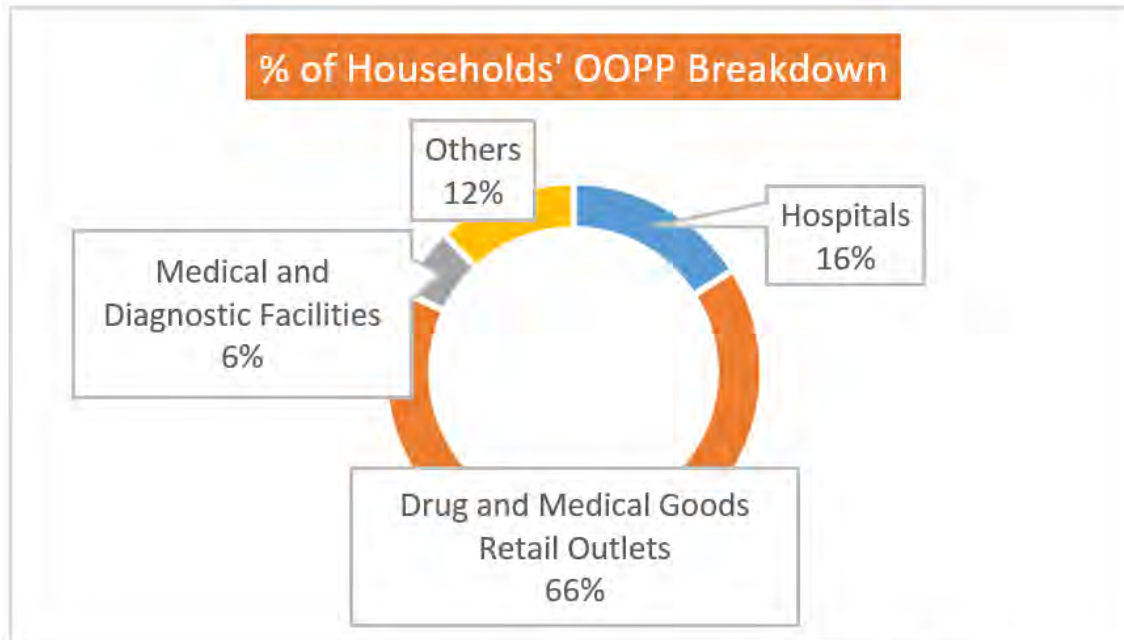
The major share of total health expenditure in 2007 was spent on drug retail services (46.1%) and curative care services (28.6%) followed by interference and public health services (11.2%) (MOHFW, 2003).

Bangladesh ranks third from the bottom in Total aid Expenditure as percentage of value Index for the South East Asia region. However, once public expenditure as percentage of total aid expenditure is compared Bangladesh ranks among the highest five nations.



Source: WHO Database, 2007

Bangladesh government's share of expenditure on healthcare is 34.4% of the full care expenditure. Public payment on health is supported from the non-development or revenue budget and also the development budget or Annual Development Program (ADP) within the variety of national tax, foreign development funds, and firms and autonomous bodies. Tax and non-tax revenue and foreign loans and grants area unit channeled by the Ministry of Finance to the Ministry of Health and Family Welfare and alternative ministries.



Source: MOHFW, 2010

Health services in the country remained preponderantly supported by households' Out-of-Pocket-Payments (OOPP). Direct payment for the acquisition of prescribed drugs and medical merchandise is that the predominant contributor to OOPP, either through self-purchase or on the recommendation of a proper or informal health-care supplier.

OOPPs are largely direct payments created at personal and nongovernmental organization facilities and additionally to informal suppliers. The growing reliance on OOPP leaves the population in danger.

Diagnostics Centers

Along with non-public clinics and hospitals, the amount of diagnostic centers within the non-public sector is growing. In 2012, around 5,122 laboratories and alternative diagnostic centers were registered with the Ministry of Health and Family Welfare (MOHFW, 2012). Within the non-public for-profit sector, there are many giant diagnostic centers within the cities (Lab Aid, Ibn Sina, standard and Medinova) providing laboratory and specialized tomography tests. A number of these facilities maintain a high standard. Within the non-profit-making non-public sector, there are centers like the International Centre for Diarrheal Diseases and analysis, Bangladesh (ICDDR,

B), that features a trendy laboratory providing analysis facilities and extends laboratory services to the final community.

Sector Challenges

According to the Asia Pacific Observatory on Public Health Systems and Policies, variety of things contend vital roles in clogging expected improvement within the overall health standing of the country:

Challenges	Description
The Complexity of the Mixed Health Systems and Poor Governance	The existing structure and management of health organizations fails to create the health system responsible to its stakeholders, resulting in high absence rates among doctors, corruption in addition to poor service quality
Inadequacy of Health Resources and Impact on Quality of Care	Due to a significant shortage of qualified aid suppliers and therefore the prices of treatment, an outsized proportion of poor patients request treatment from informal undisciplined suppliers.
Inadequate and Uneven Health Service Coverage	Due to lack of linkages and coordination across ministries delivering health services, vertical programs and specialized services adopted by the Ministry of Health and Family Welfare don't essentially get translated to urban health systems.
Healthcare Financing through Massive OOPP by Households	The high levels of OOP payment combined with informal payments for health services at public sector facilities are impoverishing ample households annually. Monetary risk protection remains a serious challenge

Chapter 3: Internship Experience

As an intern, I worked under the supervision of Mr. A S MD Manjur in the commercial department of Siemens Healthcare Limited. My tasks were limited to oversee the entire commercial activity the company undertakes to purchase a machine or item and to help the team with any scrutiny they come forth with. On the whole, my three months in the company were exciting and a good learning curve to have.

Although, three months is not enough to know the entire business process completely but a good amount of work can be learned with focus and dedication. Moreover, during the internship period I took an interest in the Procurement Process of their business. Hence, writing this report on the very topic. I have been grateful to my faculty and to all my colleagues at Siemens Healthcare Limited for their continuous support at each and every step of writing this report.

Eventually, this internship experience will help me groom for my future success as I look forward to utilize this experience into my first job I get.

Chapter 4: Procurement Process

4.0: Procurement Process

Management in any company should perceive the art of getting product and services. The procurement cycle follows specific steps for characteristic a demand or want of the corporate through the ultimate step of the award of the merchandise or contract. Accountable management of public and company funds is important once handling this necessary method, whether or not in robust or weak economic markets. Following a well-tried stepwise technique can facilitate management with success to attain its goals.

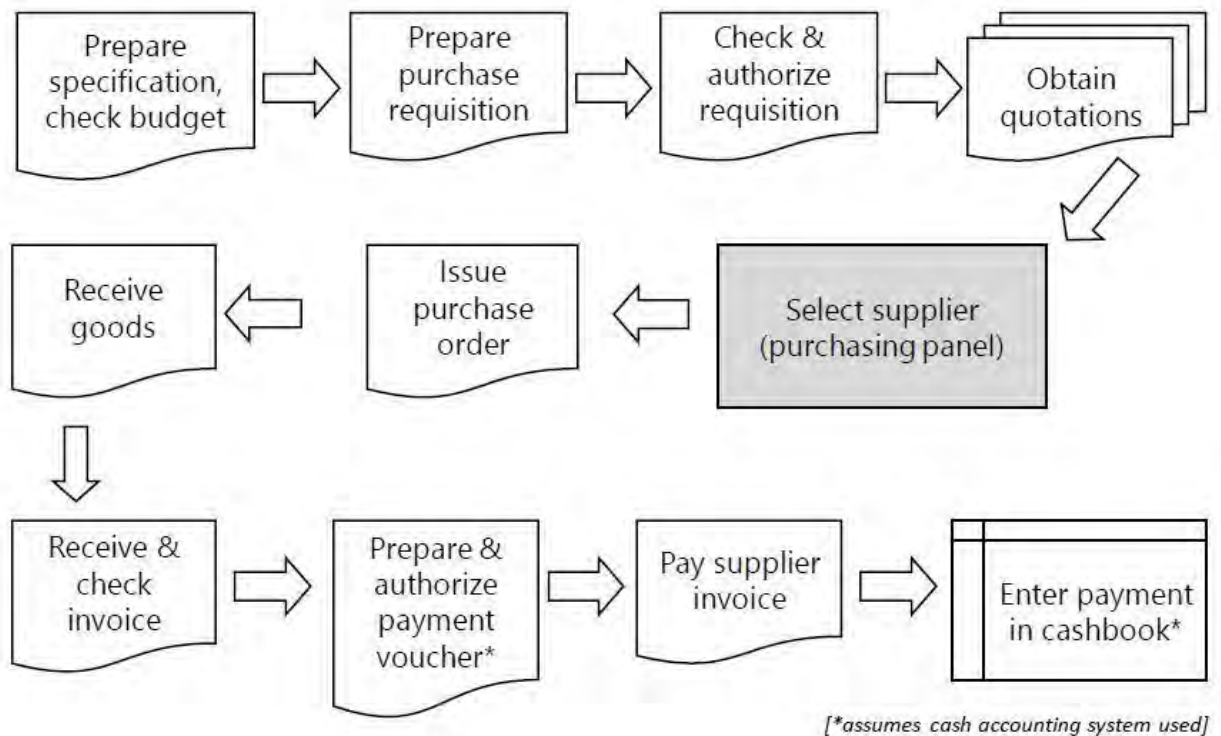


Figure 3: Google Image

Siemens Healthcare mainly focuses on procuring goods from Erlangen, Germany where the factory is situated. In order to import the medical equipment's into Bangladesh, there are a lot of process and procedures to follow such as the opening of an LC (letter of credit), negotiating the price at which the items will be bought, and the clearance of customs duty once the products have arrived into the country. Therefore it is important to identify and give an in depth detail into the daily business procedure of Siemens Healthcare Limited.

4.1: Need Recognition

The business should understand it wants a brand new product, whether or not from internal or external sources. The merchandise is also one that has to be reordered, or it should be a brand new item for the corporate. In almost every case a medical equipment that is installed in one of the hospitals is in need for a spare part that can be used if any of the part fails hence, Siemens keeps an internal record for all the spare parts that are in place in the warehouse and also the quantity available through their Helcom tool. In this way they are able to find out exactly which parts or which machine is required for requisition.

4.2: Specific Need

The right product is vital for the organization. Some industries have standards to assist confirm specifications. Part numbers facilitate determine these for a few businesses. Many industries don't have any purpose of reference. A corporate might have ordered the merchandise within the past. If not, then the business should specify the required product by mistreatment identifiers like color or weight.

As mentioned above, Siemens have their own tool to identify the specifications of a machine using a material number or a part number, as a result it becomes easier for them to figure out the exact quantity needed for requisition. In addition to that, whenever there is a local or foreign tender taking place and after the conclusion of it, when a contract is offered to Siemens they go for requisition for the specific machine by a hospital.

4.3: Source Options

The business must verify wherever to get the merchandise. The organization may need an approved vendor list. If not, the business will have to be compelled to rummage around for a provider using purchase orders or look at a spread of alternative sources like magazines, the net or sales representatives. The organization can qualify the suppliers to work out the most effective product for the business.

For instance, whenever the company is going to buy a laptop they will look at different vendors they have purchased from in the past. The vendors will provide Siemens with a quotation including

the specification and price for the product and from there based on the requirement which fits the company well, they will select to purchase from a particular vendor.

4.4: Price and Terms

The business can investigate all relevant data to see the simplest worth and terms for the merchandise. This can rely on if the corporate desires commodities (readily out there products) or specialized materials. Sometimes the business can explore 3 suppliers before it makes a judgment.

Whenever, Siemens is indulging into a local procurement they are looking at different suppliers to find the right match between the terms and conditions and the price that is being mentioned. For instance, a vendor may give credit terms of 30 days for an increased price whereas another supplier provides a credit term of 20 day with a lesser price. In such situation, Siemens Healthcare needs to make a decision based on their previous experience in handling such matters. On the other hand, for foreign procurement from Germany, the prices of machines and parts are fixed by the manufacturer in term of Euro, therefore, the appreciation and depreciation of the currency plays a crucial role whenever considering the price in terms of Taka.

4.5: Purchase Order

The purchase order is prepared for materials bought between a buyer and a seller. It specifically defines the value, specifications and terms and conditions of the merchandise or service and any further obligations.

After concluding the exact product or machine to buy, Siemens creates a Purchase order (PO) using the SAP enterprise software which includes company info (name etc.) and shipping details (address), merchant info (name and address), order info (product, price, and quantity), similarly as extra details to the seller. This case is required for both local and foreign procurements. A purchase order is the first step in acquiring the desired products which will be delivered within the designated date.

4.6: Delivery

The purchase order should be delivered, typically by fax, mail, personally, email or different electronic means. Generally the particular delivery methodology is mentioned in the purchasing documents. The recipient then acknowledges receipt of the acquisition order. Each parties keep a

replica on file. SHL usually relies on their clearing and forwarding agents such as DHL, Kuehne Nagel, local c & f agents such as EXIMCO Global and Sea Lotus Shipping to handle the transport of goods for both imports and exports.

4.7: Expediting

Expedition of the acquisition order addresses the timeliness of the service or materials delivered. It becomes particularly necessary if there are any delays. The problems most frequently noted embody payment dates, delivery times and work completion.

In such cases, the forwarding agents play the role of the expeditors and ensure that the goods arrive on time and meet the quality control process and that any issue related to it is resolved in a systematic manner. Clearing the machines through customs is one of the biggest challenge for the agents as certain protocols, rules and regulations must be met. For the insurance coverage of every item in such any calamity strikes, Siemens Healthcare has insurance premiums for their machines and parts from Green Delta Insurance Company Limited (GDIC).

4.8: Receipt and Inspection of Purchases

Once the providing company delivers the merchandise, the recipient accepts or rejects the things. Acceptance of the things obligates the organization to buy them. SHL, is obliged to pay for the products within the accepted terms and conditions after they have received them. SHL warehouse is located in Tejgaon Industrial Area, where all the machines and spare parts are delivered after getting clearance from the customs authority. Siemens Healthcare work with a third party seller such as Bio-Trade International Ltd. who acquire certain machines from Siemens and sell it to different hospitals and diagnostic centers.

The service department of SHL indulges the inspection of machines that arrive to see if they are in order or not. They are also responsible for installing the machines in different hospitals and centers around Bangladesh.

4.9: Invoice Approval and Payment

Three documents should match once an invoice requests payment - the invoice itself, the receiving document and also the original order. The agreement of those documents provides confirmation from each the receiver and provider. Any discrepancies should be resolved before the recipient pays the bill. Usually, payment is created within the form of money, check, bank transfers, credit letters or alternative sorts of electronic transfers.

An invoice could arrive with the merchandise, or it's going to hit a later date, however once it will, it must be rigorously compared to the initial order and to the receiving document to confirm that what's being beaked for was really contractile for and received. Once approved, the invoice should create its thanks to the liabilities department for payment process. If the approval method was as simple as confirming the products were received, then the acquisition order receipt itself ought to be enough proof that associate invoice can be paid, however there are different factors to think about, including:

- Is the invoice asking just for things really received?
- Do the payment terms match the given terms?
- Are any negotiated discounts included?
- Is the invoice coded to the right expense accounts?
- Are there any warranty or performance problems with the product/service post receipt that warrant holding payment?

To ensure accuracy, accounts payable invoices should bear an identical and approval method.

Siemens Healthcare usually pay for the invoice through their partner banks such as Citi Bank and HSBC enabling the international transfer of money.

Chapter 5: Recommendation and Conclusion

5.1 FINDINGS OF THE REPORT

Siemens health care Ltd. could be a multi-national company. The target of the time I spent in getting this report ready was primarily for evaluating the procurement process and figure out the most important facts regarding SHL.

- Siemens Healthcare is operating within the boundaries of the Procurement Act.
- Many of the customers are dissatisfied about the price that Siemens is offering because they are expensive compared to competitors, especially X-Ray machines.
- Many of the customers are dissatisfied about the warranty period.
- Siemens is retaining their customers and is not allowing their loyal customers to switch brand.
- Siemens is providing world class quality medical products and great service for maintaining the equipment's.
- Siemens is meeting their customer needs and satisfying them quite well.
- The process of acquisition usually takes up a lot of time as one step is dependent upon the other.

5.2 RECOMMENDATIONS

From my point of view there are some areas where SHL can improve their operation & performance.

- Siemens Healthcare Ltd. has less promotion activities than rest of the Siemens AG group. SHL should increase advertising expenditure more than before.
- In Bangladesh Siemens Healthcare Ltd. should establish a factory to produce some of their low cost machine because every machine SHL sells in Bangladesh are imported from the other factories or warehouses in the world.
- There is no repair workshop of damaged spare parts of the machines in Bangladesh. All damaged spares are exported to Germany or USA for repairing. Establishing a workshop will reduce this cost and improve the job experience of the engineers in Bangladesh.

5.3 CONCLUSION

In this report, I have discussed so many points on Siemens Healthcare Ltd. and their financial performance all around the world. In Bangladesh, SHL has made a remarkable step in the medical diagnostics imaging business. Almost every well-known hospital in Bangladesh uses the machines of SHL like the C-ARM, MRI, CT scan, Pet CT, Ultra-Sonography etc.

Siemens Healthcare Ltd. has got the contract to fulfill all the radiology machine requirements of Sheikh Hasina National Institute of Burn and Plastic Surgery.

With its more than 160 million populations and on an average more than 7% GDP growth for the last five years, Bangladesh has lucratively positioned itself for the Medical imaging diagnostic industry due to the increase awareness in the healthcare industry.

In the Healthcare sector of Bangladesh, the presence of multinational companies is very eminent. SHL is the market leader of the sector. There are also multinational companies like General Electronics, Phillips, Hitachi, Shimadzu etc. There are no local companies in this sector. Bangladesh fully relies on the MNC's for these service products.

As Siemens Healthcare Ltd. is the 2nd edition of Siemens Healthcare sector it is though for SHL to be a fully operational & efficient within just 3 years of its launch as a public limited company from just a section of Siemens AG. SHL still takes shelter under the umbrella of Siemens AG group.

In the end with a few limitations, Siemens Healthcare Ltd. is doing a better job and growing financially strong year by year. If the management of the company can sustain the company will do better in the future and become the market leader from the market follower.

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Appendix

A. The questions I asked to my supervisor at Siemens Healthcare Ltd. are as follows:

Sl.	Questions	Yes	No
01	Are the accounting principles adopted by your company?		
02	Is there unnecessary duplication of information within the annual report?		
03	Do your specific disclosures lead to material information?		
04	Are you convinced that the procurement method is clear enough for understanding?		
05	Is your growth plan achievable in a short to medium time frame?		
06	Could you pass a due diligence test?		

B. HSBC Gulshan Avenue-1 branch is where SHL has their account & does their all financial transactions from there. The questions I asked to the branch manager of HSBC, Gulshan Avenue-1 are:

Sl.	Questions	Yes	No
01	Does SHL pays its outstanding payments timely?		
02	Does SHL has a good credit worthiness?		
03	Is HSBC approving new credits to SHL as well as extending the existing credits?		
04	Does credit administration department check collateral securities?		
05	Whether loan disbursement effected only after execution of charge documents & creating charge on primary securities & collateral?		
06	Is value of collateral assessed by independent appraisers listed to the bank?		

C. Siemens Healthcare Ltd. does all their shipping insurances with Green Delta Insurance Company Limited (GDIC). The questions I asked to an executive of Green Delta Insurance Company Limited are:

Sl.	Questions	Yes	No
01	Does SHL pays insurance premium timely?		
02	Is it risky for Green Delta to insure all the shipments of SHL?		
03	SHL does multi-million dollar shipments every week, because you are the sole insurance provider for SHL in Bangladesh, do you think it is good to do business with SHL?		
04	Will the company survive in the long run?		
05	Is SHL your one of the biggest client?		

D. For Customs clearing & forwarding SHL uses some C&F agents. The questions I asked to the executives of C&F Agent like Sea Lotus Shipping Agency (Pvt.) Ltd, EXIMCO Global Forwarding are:

Sl.	Questions	Yes	No
01	Are you satisfied with the payment method?		
02	Does SHL pays its outstanding payments timely?		
03	Will the company survive in the long run?		
04	Is SHL your one of the biggest client?		

Combined Statement of Income

COMBINED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED SEPTEMBER, 30, 2017, 2016 AND 2015

(in millions of €)	2017	2016	2015
	Note		
Revenue	13,796	13,547	12,936
Cost of sales	(8,034)	(8,080)	(7,867)
Gross profit	5,762	5,467	5,069
Research and development expenses	(1,253)	(1,145)	(1,055)
Selling and general administrative expenses	(2,222)	(2,206)	(2,109)
Other operating income	22	19	79
Other operating expenses	(19)	(18)	(21)
Income from investments accounted for using the equity method, net	9	6	9
Interest income	12	14	19
Interest expenses	(267)	(216)	(117)
Other financial income (expenses), net	-	(3)	2
Income before income taxes	2,044	1,918	1,876
Income tax expenses	(600)	(590)	(584)
Net income	1,444	1,328	1,292
Attributable to:			
Non-controlling interests	17	17	15
Siemens Group	1,427	1,311	1,277

Combined Statement of Financial Position

III. COMBINED STATEMENTS OF FINANCIAL POSITION

COMBINED STATEMENTS OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2017, 2016 AND 2015

(in millions of €)	Note	2017	2016	2015
Assets				
Cash and cash equivalents		184	206	73
Trade and other receivables	4	2,200	2,080	1,875
Other current financial assets	5	57	70	78
Receivables from Siemens Group	25	2,991	3,952	4,056
Inventories	7	1,323	1,308	1,259
Current income tax assets	3	79	70	29
Other current assets	6	276	236	183
Total current assets		7,110	7,922	7,553
Goodwill	8	7,992	8,301	8,273
Other intangible assets	9	1,525	1,585	1,599
Property, plant and equipment	9	1,566	1,524	1,305
Investments accounted for using the equity method		33	35	37
Other financial assets	10	162	151	147
Other receivables from Siemens Group	25	1,365	-	-
Deferred tax assets		419	524	299
Other assets	11	268	253	244
Total non-current assets		13,330	12,373	11,904
Total assets		20,440	20,295	19,457
Liabilities and equity				
Short-term debt and current maturities of long-term debt	14	55	45	8
Trade payables		1,120	996	942
Other current financial liabilities		72	105	94
Payables to Siemens Group	25	5,795	5,982	10,480
Current provisions	16	314	318	294
Current income tax liabilities	3	122	113	137
Other current liabilities	12	1,797	1,745	1,690
Total current liabilities		9,275	9,304	13,645
Long-term debt	14	15	14	14
Provisions for pensions and similar obligations	15	1,732	2,132	1,245
Deferred tax liabilities		243	197	159
Provisions	16	153	148	145
Other financial liabilities		23	17	13
Other liabilities	13	590	591	495
Other liabilities to Siemens Group	25	5,167	5,485	13
Total non-current liabilities		7,923	8,584	2,084
Total liabilities		17,198	17,888	15,729
Net assets attributable to Siemens Group		3,995	3,141	4,385
Other components of equity		(761)	(767)	(696)
Total equity attributable to Siemens Group		3,234	2,374	3,689
Non-controlling interests		8	33	39
Total equity	17	3,242	2,407	3,728
Total liabilities and equity		20,440	20,295	19,457

Combined Statement of Comprehensive Income

COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017, 2016 AND 2015

(in millions of €)	Note	2017	2016	2015
Net Income		1,444	1,328	1,292
Remeasurements of defined benefit plans		277	(306)	(29)
Remeasurement - before income taxes	15	396	(426)	(59)
Income tax effects		(119)	120	29
Items that will not be reclassified to profit or loss		277	(306)	(29)
Currency translation differences		9	(59)	(402)
Available-for-sale financial assets		-	(1)	1
therein: Income tax effects		-	-	-
Derivative financial instruments		(2)	(6)	28
therein: Income tax effects		-	5	(14)
Items that may be reclassified subsequently to profit or loss		7	(66)	(373)
Other comprehensive income, net of income taxes		284	(372)	(402)
Total comprehensive income		1,728	956	890
Attributable to:				
Non-controlling interests		18	22	16
Siemens Group		1,710	934	874

Combined Statement of Cash Flow

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017, 2016 AND 2015

(in millions of €)	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	1,444	1,328	1,292
Adjustments to reconcile net income to cash flows from operating activities			
Amortization, depreciation and impairments	572	591	563
Income tax expenses	600	590	584
Interest expenses, net	255	202	99
Income related to investing activities	(12)	-	(69)
Other income from investments	(9)	(6)	(7)
Other non-cash (income) expenses	45	(2)	32
Change in current assets and liabilities	(123)	(49)	122
Change in other assets and liabilities	(34)	75	(40)
Additions to assets leased to others in operating leases	(220)	(216)	(190)
Income taxes paid	(192)	(264)	(143)
Income taxes paid by Siemens Group on behalf of Siemens Healthineers	(375)	(422)	(362)
Dividends received	9	7	6
Interest received	15	15	14
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	1,975	1,849	1,901
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to intangible assets and property, plant and equipment	(466)	(424)	(356)
Purchase of investments	-	(4)	(2)
Acquisitions of businesses, net of cash acquired	(6)	(15)	-
Disposal of investments, intangibles and property, plant and equipment	19	7	6
Disposal of businesses, net of cash disposed	-	-	363
CASH FLOWS PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(453)	(436)	11
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in short-term debt and other financing activities	6	22	(8)
Interest paid	(5)	(2)	(4)
Profit and loss transfers with Siemens Group	(815)	(909)	(806)
Dividends paid to Siemens Group	(352)	(377)	(148)
Dividends paid to non-controlling interest holders	(3)	(3)	(3)
Interest paid to Siemens Group	(245)	(177)	(82)
Other transactions/financing with Siemens Group	(118)	167	(802)
CASH FLOWS PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(1,532)	(1,279)	(1,853)
EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(12)	(1)	(5)
CHANGE IN CASH AND CASH EQUIVALENTS	(22)	133	54
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	206	73	19
CASH AND CASH EQUIVALENTS AT END OF PERIOD	184	206	73

Combined Statement of Changes in Equity

COMBINED STATEMENTS OF CHANGES IN EQUITY

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017, 2016 AND 2015

(in millions of €)	Net assets attributable to Siemens Group	Currency translation differences Siemens	Available- for-sale financial assets	Derivative financial instruments	Total equity attributable to Siemens Group	Non- controlling interests	Total equity
Balance as of October 1, 2014	5,629	(300)	-	(22)	5,307	47	5,354
Net income	1,277	-	-	-	1,277	15	1,292
Other comprehensive income	(29)	(403)	1	28	(403)	1	(402)
Total comprehensive income	1,248	(403)	1	28	874	16	890
Profit and loss transfer with Siemens Group	(806)	-	-	-	(806)	-	(806)
Dividends	(148)	-	-	-	(148)	(3)	(151)
Transfer of pension liabilities, net of tax	-	-	-	-	-	-	-
Other changes in equity	(1,538)	-	-	-	(1,538)	(21)	(1,559)
Balance as of September 30, 2015	4,385	(703)	1	6	3,689	39	3,728
Balance as of October 1, 2015	4,385	(703)	1	6	3,689	39	3,728
Net income	1,311	-	-	-	1,311	17	1,328
Other comprehensive income	(306)	(64)	(1)	(6)	(377)	5	(372)
Total comprehensive income	1,005	(64)	(1)	(6)	934	22	956
Profit and loss transfer with Siemens Group	(909)	-	-	-	(909)	-	(909)
Dividends	(377)	-	-	-	(377)	(3)	(380)
Transfer of pension liabilities, net of tax	(319)	-	-	-	(319)	-	(319)
Other changes in equity	(644)	-	-	-	(644)	(25)	(669)
Balance as of September 30, 2016	3,141	(767)	-	-	2,374	33	2,407
Balance as of October 1, 2016	3,141	(767)	-	-	2,374	33	2,407
Net income	1,427	-	-	-	1,427	17	1,444
Other comprehensive income	277	8	-	(2)	283	1	284
Total comprehensive income	1,704	8	-	(2)	1,710	18	1,728
Profit and loss transfer with Siemens Group	(815)	-	-	-	(815)	-	(815)
Dividends	(352)	-	-	-	(352)	(3)	(355)
Transfer of pension liabilities, net of tax	-	-	-	-	-	-	-
Other changes in equity	317	-	-	-	317	(40)	277
Balance as of September 30, 2017	3,995	(759)	-	(2)	3,234	8	3,242