



Inspiring Excellence

Internship Report on

“The Rise and Growth of Outsourcing in Bangladesh”

Course Code: BUS400

Submitted to

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Submitted By

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Date of Submission

29th April 2019

Task eater

“The Rise and Growth of Outsourcing in
Bangladesh”

Letter of Transmittal

29th April 2019

Mr. Ahmed Abir Choudhury

Lecturer

BRAC Business School

BRAC University 66, Mohakhali, Dhaka 1212.

Subject: Submission of internship report on “The Rise and Growth of Outsourcing in Bangladesh”

Sir,

This is to inform you that I have successfully completed my internship report and I would like to thank you for your continued guidance throughout my internship report and the utmost support you have given me on preparing this report. This would not have been possible without your full cooperation. I have been working as a full time employee at Taskeater Bangladesh Limited as an Operation Departments Analyst

This report contains a brief introduction to how the outsourcing industry has grown over the years in Bangladesh and how it has impacted the economy of Bangladesh and how it did maintain its efficiency and growth over the past 5 years.

I have tried level best to follow the instructions that you had given me and I wish this report will meet your expectation. Thank you.

Sincerely,

Md Burhanul Islam

ID: 14204070

BRAC Business School

BRAC University

Letter of Endorsement

That is to certify that Md Burhanul Islam is a student of BRAC Business School, ID: 14204070, Major in Finance and Minor in Accounting, has successfully completed his “Internship program” entitled “The Rise and Growth of Outsourcing in Bangladesh” at Taskeater Bangladesh Limited under my observation as the partial fulfillment for the award of BBA degree.

He has executed everything according to my instructions and has tried his best to do that resourcefully. I suppose this program will help him with his career. I want his attainment and radiant fortune.

Signature

.....

Mr. Ahmed Abir Choudhury

Lecturer

BRAC Business School

BRAC University 66, Mohakhali, Dhaka-1212, Bangladesh

Acknowledgement

This report was successfully completed with the help and involvement of many people who gave their idea, precious time and suggestions. Especially my Line Manager Ms. Maesha Hasnat who has continuously helped me and guided me all throughout my internship report without her guidance this would not have been possible. I am also grateful to Finance Manager Mr. Asif Iqbal, for giving me the required information about the financial situation surrounding the BPO industry in Bangladesh today. To the HR Manager Nahid Rahman who provided me with many of the information about Taskeater at the shortest amount of time possible and he was always there whenever I need him. To my Team Leader Nafizul Haque who has helped me learn and helped me with my work all the time his guidance was the reason why I was able to do my work without any issues and besides work he also helped me with my report also. Lastly I am grateful to the Taskeater Family who were always there when ever I needed them for information, queries and questions. I am humbled and lucky to be a part of such a great team who have welcomed me to their family with such open arms and have always been kind to me whenever I needed their help. I also will always be grateful to my family, friends without whom I would not have been able to complete this and for being there for me whenever I needed them.

Executive Summary

The paper is about “Rise and Growth of Outsourcing in Bangladesh”. I have completed this report during my employment in Taskeater Bangladesh Limited. Firstly the paper will give an overview of the organization which I was fortunate enough to work in and their policies of conducting their business and the services they offer. Secondly the paper will show how the outsourcing industry numbers have grown and how it will continue to grow in Bangladesh in the future. It will also show our current governments policies for the sector and how it plays a vital role into the rise of this sector and finally some suggestions. Finally there are suggestions given on how to improve the sector which was gathered while working on Taskeater. Most of the information here were collected through different journals, newsletter and different publications as my organization is very strict about giving any sort of information regarding their work due to confidentiality of the clients so I had to keep that in mind and share information which were only available to the public.

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Organizational Overview

Taskeater forms teams for internet corporations working largely in Europe. Taskeater's teams support clients in areas such as data processing, back-end operations, content moderation, lead generation, and online marketing. Taskeater creates committed teams that work straight with clients. Clients use Taskeater to outsource many of their work which helps them to focus on innovation and the areas that are core to their competitive advantage.

Taskeater have and had clients from all different parts of the world, which includes Finland, Sweden, Denmark, Holland, United Kingdom, Australia, United States, Lithuania, France, Canada and Germany.

History

- Taskeater was founded in March 2014 as a Finland-based corporation with its main office in Dhaka, Bangladesh.
- In March 2015, Taskeater Bangladesh Limited was incorporated to support the growing organization in Dhaka.
- In August 2015, Taskeater hired its first Europe-based employee in London to beginning building its international sales organization.
- In February 2017, Taskeater moved into its first commercial office premises in Mirpur.
- As of July 2017, Taskeater had 220 employees.
- As of September 2017, Taskeater had 280 employees.

Company Goals

Taskeater does not have a mission or vision statement, but instead two clear goals:

1. To become a brand of choice for high growth companies in Europe for outsourcing.
2. To become an employer of choice for young professionals in Bangladesh.

Company Culture and Values

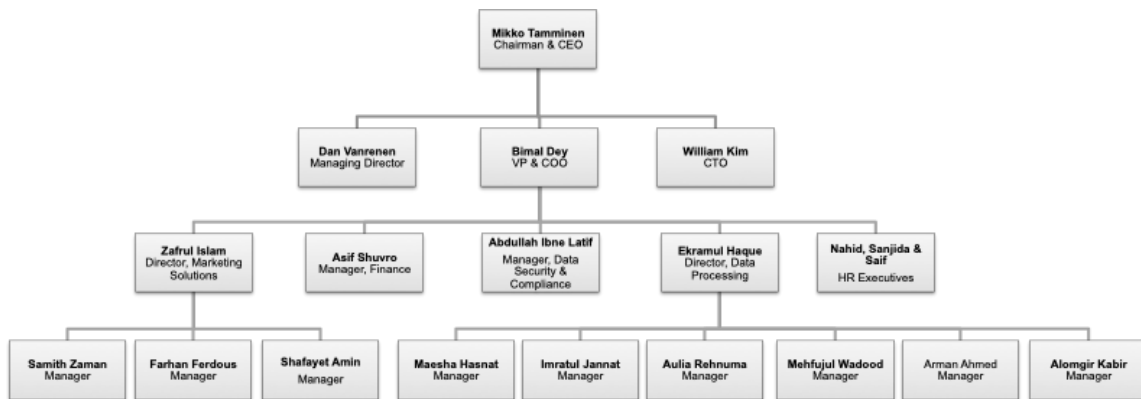
We are perceived as a company with “friendly environment” and a place where we take ownership of our own growth and excel in our professionalism through creating values for all our stakeholders.

Values that characterize the employees:

- Help each other grow as professionals
- The office is a place for the employees to grow professionally and use their spare time to learn new things which will help us grow
- Learn and improve professionalism through experimenting or failing while experimenting
- Understand the context of delivery and how it's creating values for the clients and Taskeater

Company Organization and Management

The current company organization as of 1 January 2019 is depicted in the following diagram:



Mikko Tamminen, Chairman & CEO: Responsible for corporate governance, strategy, finance, accounting, corporate development, legal affairs, service expansion and management team.

Bimal Dey, Vice President & COO: Responsible for operations at Dhaka offices, all operations personnel, company growth planning, strategic client management and process management.

Dan Vanrenen, Managing Director: Responsible for sales, marketing, strategic client relationships and managing the London office.

William Kim, CTO: Responsible for leading the initiatives to enable and incorporate technologies in our services.

Zafrul Islam, Director, Marketing Solutions: Responsible for lead generation teams and lead generation client management. Supporting with daily operations of Dhaka office, human resources and legal matters.

Ekramul Haque, Director, Data Processing Solutions: Responsible for data processing teams, training new data processing teams, improving delivery processes and new client communications.

Maesha Hasnat, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Imratul Jannat, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Aulia Rehnema, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Mehfujul Wadood, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Kabir Alomgir, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Arman Ahmed, Manager, Data processing: Responsible for the delivery of data processing client teams, client communications and quality assurance.

Farhan Ferdous, Manager, Lead services: Responsible for the delivery of lead generation client teams, client communications and quality assurance.

Shafayet Amin, Manager, Lead services: Responsible for the delivery of lead generation client teams, client communications and quality assurance.

Samith Zaman, Manager, Lead services: Responsible for the delivery of lead generation client teams, client communications and quality assurance.

Asif Shuvro, Manager, and Finance: Responsible for finance and administrative affairs of Taskeater Bangladesh Limited, as well as managing finance and accounting for European corporate entities.

Abdullah Bin Latif, Manager, IT: Responsible for overall IT infrastructure and IT support.

Nahid Rahman, HR Executive: Responsible for employee satisfaction, HR policies and compliance.

Sanjida Afroj, HR Executive: Responsible for recruitment and staffing.

Saif Dewan, HR Executive: Responsible for administering employee records and management of employee leave, attendance, salary and extra hours.

Services Offered

- Lead Generation
- Content Moderation
- Order Processing
- Data-entry
- Tagging and Categorization
- Transcription
- Online Data Collection
- Security Camera Surveillance & Call Centre auditing etc.

1. Introduction to the Report

- **Rationale of the study**

The fundamental reason for this proposal is to understand how BPO (Business Process Outsourcing) industry in Bangladesh has grown over the years and how it is becoming much bigger as time goes by. BPO industry has come a long way since it first started here in Bangladesh but now it is growing by leaps and bounds. The objective of this study is to find the key reason behind the success of the Outsourcing market in Bangladesh and compare how it has been making an impact on the economy off Bangladesh.

- **Statement of the Problem**

BPO industry was a very small one at its beginning but now it is growing at an amazing rate. BPO sector now plays a vital role in our economy and is growing rapidly. The problem of the report is to find out the sector specific reason behind the progress of this industry. BPO sector is one of the most

uprising industry of all in Bangladesh right now and how it has impacted our countries economy is also one of the problems of this study and finally specific reason to why the sector is on the rise currently.

- **Scope and Delimitation of the Study**

This report will be a very immense and to make the best message out of it I have chosen a very important topic out of the many available ones. The time required to conduct the research, analyze and evaluate results and write the report was limited and challenging at times.

- **Objective of the Study**

The objective of the study are:

- Principle Objective: To discuss how outsourcing market has grown and developing in Bangladesh and to find the specific reason is to why the sector is on the rise and how it has impacted the economy of our country.
- Secondary Objective: The report is a requirement for the conclusion of BBA degree from BRAC University.

- **Research Questions**

- How the outsourcing market has grown in Bangladesh over the years?
- How outsourcing has impacted the economy of Bangladesh?
- To find the specific reasons is to why BPO sector is on the rise.

2. Review of Related Literature

In the last few years BPO sector has gone through massive expansion and it has achieved 24 percent year growth year after year and it shows signs of more expansion. When the sector was first introduced back in 2008 it only made \$4 million in revenues and companies had to take license from the telecom regulator but they closed their operations very quickly but as days have gone past by the telecom regulations have bought in significant changes to their rules and thus the earnings rose by 17 times since (Daily Star, 2017).

Now global competitive companies have come to Bangladesh and they are helping this sector get more outsourcing contract from overseas. They will help into the growth of the BPO sector to

achieve the nations dream. Bangladesh governments plans to create 200,000 thousand jobs through the BPO sector by 2021 which now employs 40,000 people. (Daily Star, 2018). One of the core reason why BPO sector is going to rise in Bangladesh is production cost economics, Factors like populations, labor cost, IT skills and English are the main competences of Bangladesh for being a new hub for BPO operators. Labor cost is around \$8 per hour than other BPO countries like Philippines (\$20) and India (\$15). Dutytaker, Genex Infosys LTD, ASL BPO, ServicEngineBPO, Digicon Technologies LTD, Fifotech, Quintos Business Solutions, Aamra Outsourcing, Syntech Solutions LTD, BCS, MyOutsourcing LTD, Taskeater are few of the well-known BPO operators of Bangladesh (Duty Taker, 2019). Renowned global brands like Coca-Cola and Samsung also take services from Bangladeshi BPOs and mobile operators call center operations, consumer's goods industry and hospitals take services from the local BPO industry and currently local BPOs are on the verge of serving the Banks as well (Daily Star, 2017). 180 million dollar worth of market share is currently owned by Bangladesh and if Bangladesh can utilize this great opportunity this sector can become the second biggest to earn foreign currency. Bangladesh has another great plus point which is its population there are more than 110 million people who youth here and they can play a vital role onto the rise of this industry (Daily Sun, 2018). Currently Bangladesh is the 44th largest market based economy and Bangladesh is the second fastest growing economy in the world. The country is constantly growing and this has grabbed the attention of the developed countries who now plan to outsource their IT and ITES products they hire thousands of freelancer through different platform like Upwork, Freelancers, Fiverr and Belancer. Bangladesh plans to reach \$5 billion outsourcing revenue by 2021. (The Financial Express, 2016)

To progress on the future Bangladesh needs to look into the challenges of this sector and only by overcoming those can Bangladesh achieve their goals of the future. Bangladesh Govt. have included ICT in the 7th five-year plan and applying plans and following progress is required in order to succeed on this sector. There are many activities going on in every IT including e-commerce, e-governance, computer networking, Internet, web browsing, web applications, multimedia product development etc. Now more distinctness is required on capturing the global BPO market share and make sure everything is aligned properly to reach the country goal (The Financial Express, 2016).

3. Methodology of the Study

The first step towards completing this study was to select a very specific and a respectable topic and after discussing with my internship supervisor Mr. Ahmed Abir Choudhury we choose this topic. Under sirs' leadership and supervision I have worked on the subject. The second step was to get the required both primary and secondary data which were carefully selected, measured and considered for the study. Finally, a most of the material offered here were composed from working in the company as I worked with my clients and with my team members.

For the study, primary data were gathered from different websites, articles, and papers. Moreover, by directly working in Taskeater under the supervision of my manager and working with my colleagues I have also gathered many of the information. Besides that, I have conferred with some of previous researchers. Every information applied here and its root are mentioned at the end of this report, in the reference part.

4. Analysis and Interpretation of Data

Outsourcing industry has come a long way since its humble beginning back in 2008 after 53% growth it is now at a stage where it is now one of the country's largest emerging industry. To describe the reasons for this there are four supports of this sector: legal, IT infrastructure, skilled human resource management, and international business development.

Current government's special attention to "Digital Bangladesh" has pushed this sector into succeeding at a greater speed. Bangladesh government has taken in a lot of project to push its IT sector onto the next level and these plans include Smart-grid project worth \$2-3 billion, Smart City project worth \$500 million etc. Bangladesh has also paved the way for the industry by exempting tax, promoting foreign investment and enabling it.

Value proposition of Bangladesh BPO industry are as follows

- Banking, telecom and manufacturing industry are getting digitalized and they are into talk with the BPO's to do some of their work for them.
- Government has taken in large scale projects

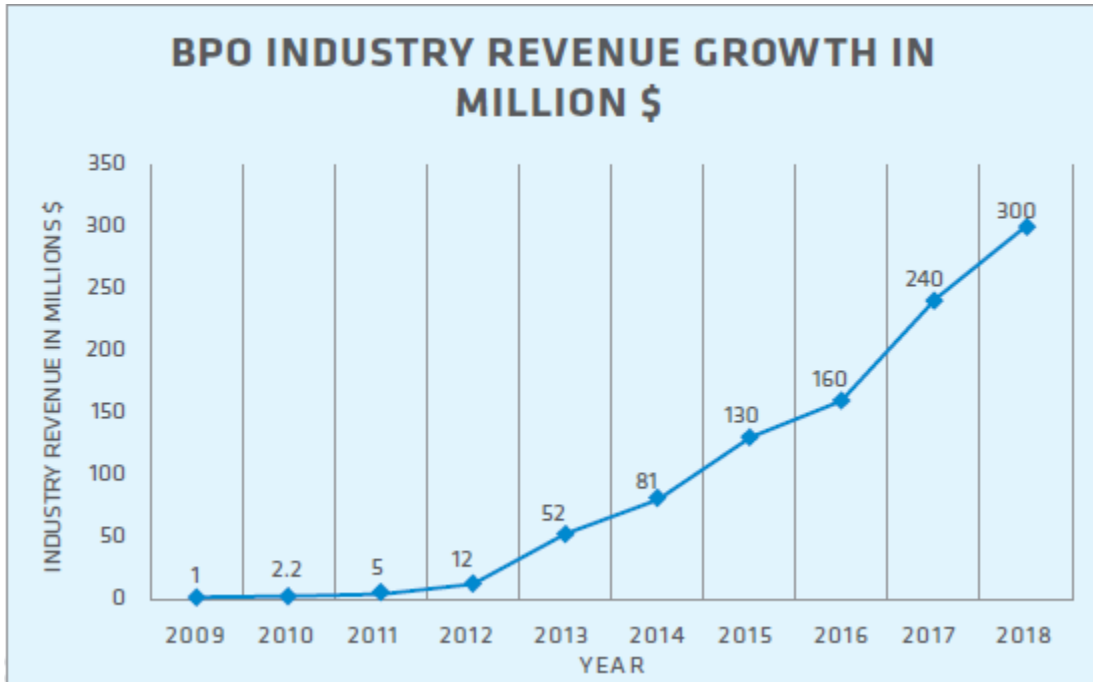
- Due to governments tax expectations companies can make high incentives.
- Governments additional focus onto quality and ability of its population and technology
- More than 50% of the population are below the age of 25 which gives the BPO's a lot of manpower to work with.
- Government has planned to train 65,000 people for IT-ITeS profession.

IT-ITeS industry in Bangladesh is currently worth 1.1 billion and is expected to reach 4.8 billion by 2025. The key behind the growth of Bangladesh's outsourcing industry is its ability to operate at a very low cost which is around 20-30 % lower than India and Philippines. Besides that large work force and a technology service which has been growing rapidly is also one of the core reason why Outsourcing industry is doing so well currently. Bangladesh current and forecasted market size CAGR shows how big the industry is going to become as we move forward.

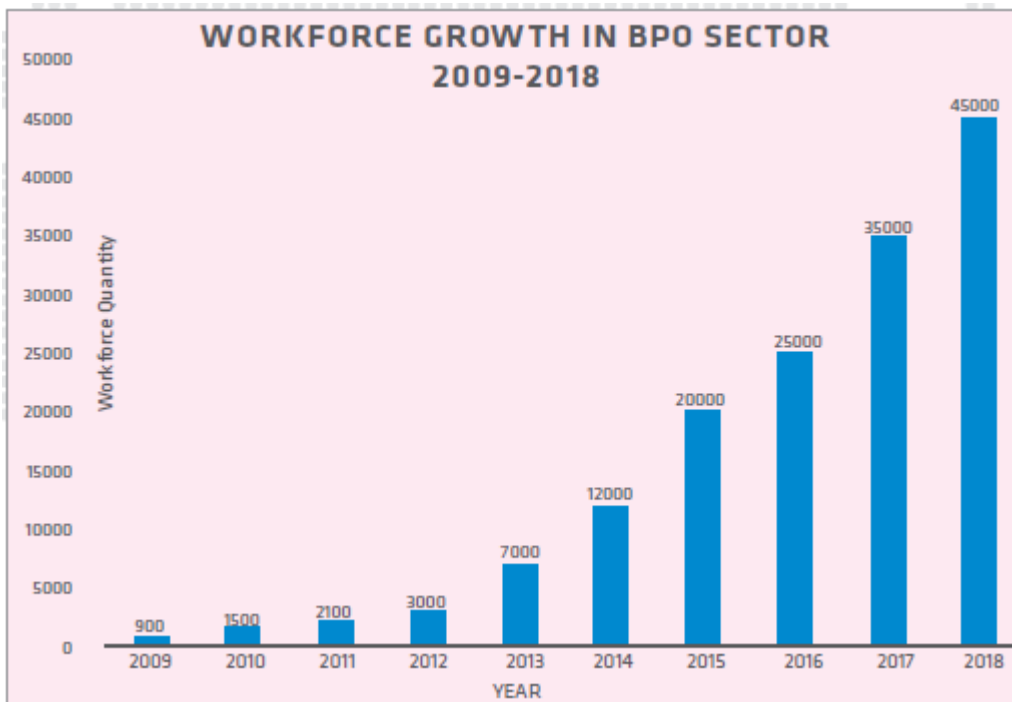


These numbers have already made big companies like IBM, Wipro, NTT Data and WPP draw their attention towards Bangladesh.

Revenue Growth of the Industry shows how much the sector has improved since its first introduction in Bangladesh. On 2009 when the revenue of this industry was merely 1 million dollar now it is at 300 million and the numbers will only continue to rise.



It is a very well-known fact that there is a lack of job opportunity in Bangladesh but due to the BPO sector alone it is now providing jobs to 45,000 people. Which at the start had only 900 people working in the whole sector, this shows the promise this sector holds.

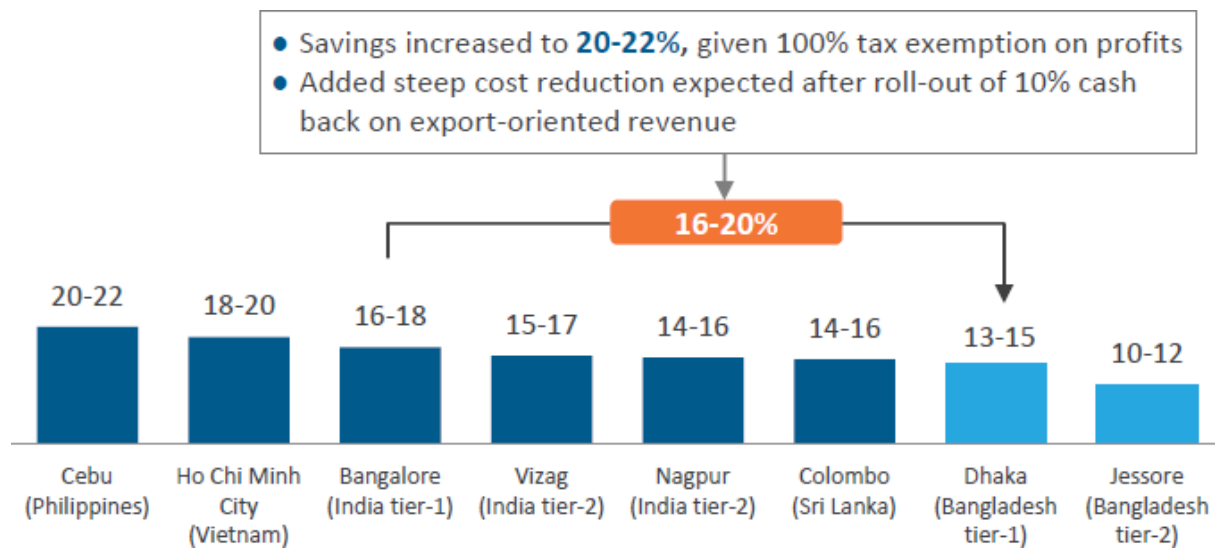


With such huge number of human assets working in the industry allows talented work force to become available in the country. Currently BPO industry is facing the problem of high attrition rate. But the people who have been in the industry long enough have been able to develop their skills and now are thriving here.

The reason behind the rise of this sector is also because of the government's rules and regulation. Current incentives the government is offering are given below

- Till 2024 there will be 100% tax exemption.
- For foreign employees 50% tax reduction for the first 3 years.
- For rental and utilities 80% vat exemption.
- Up to 10% cash back on total export revenue.
- No restriction on foreign equity holding.

With such lucrative incentives offered by the government this is why companies are now more inclined to come here and build up their companies. Bangladeshi freelancers currently have a lot of U.S and U.K clients and it is the second largest freelancing talent supplier in the world.



Currently 90% of the outsourcing is done from Dhaka but tier-2 cities like Jessore, Rajshahi and Kaliakoir are also developing and it is estimated to lower down the cost to 20-25% compared to Dhaka.

Working at Taskeater gave me a very good idea of how BPO companies function in Bangladesh although BPO sector is on the rise but still there are things that needs to be meet before the industry goes any further. They are

- Taskeaster has an open work space which is an issue when it comes to working with sensitive information. Confidentiality for an outsourcing firm is an important thing and by having an open work space this becomes a problem for workers to keep their work as private as possible.
- Due to having an open work space Taskeater employees often face the problem of losing their laptops and peripherals as people have easy access to everything. Improving and tracking laptops and logging it more efficiently is needed here.
- Providing drop off facilities for the people working at the night shift is also necessary. Most of the clients here are from U.S, U.K and all around Europe so people often need to work at night with their clients and not having drop off facilities is a big issue.
- Upgraded peripherals, laptops and desktop is also an important thing often when I used to work my laptop would not function properly due to it being an old laptop and this slows down the work speed and efficiency of work.
- Internet speed and low quality lan cables also hinders work and small things like this causes disturbance when doing an important task.

5. Findings of the Study

Bangladesh's outsourcing market has come a long way and it does not show any signs of stopping in the near future. Looking at the numbers alone it shows how aggressively the market has risen. Government and the industry leaders has taken bold steps to make sure the industry just doesn't do well but it grows systematically. The outsourcing market has risen here mainly due to the number of talented students it produces every year and as there are a lot of jobs available on the outsourcing market people tend to move towards here. Many companies have now moved their offices here also so that they can operate at a low cost which also has paved the way towards the growth of the industry.

Outsourcing has impacted the economy of Bangladesh at a great way. It is making millions and is hoping to get the country its export target of 5 billion a year by 2021. BPO sector can be the next big thing in earning foreign remittance and contribute largely in the GDP growth of Bangladesh. The country has all the factors to become a great BPO center. Just like the RMG sector this sector is said to be growing exponentially.

Specific reason is to why the outsourcing sector has risen so much is because it provides quality service at a lower cost, increasing number of talents and graduates, meeting the global standard, governments support, many future ICT investments etc.

6. Recommendation

Outsourcing has come a long way but it has still not reached its full potential and there are ways things can be improved for the sector. They are

- Improving the internet speed and modernizing it is a must. According to a report by Daily Star, 2019 we are still having slow connections due to having poor transmission link. Internet speed is said to be better in Dhaka, Chattogram and Sylhet this forces the people living outside of these areas with very bad connection and not utilizing the opportunity
- A huge part of our educated population are female and when it comes to them working different shift due to clients being outside of the country they are unable to do that as families do not really let them work at night so we must ensure their talents do not go to waste and give them a safe working environment.
- Popularizing outsourcing to the youth should be the main concern so it attracts more youth who would be a great help in building this industry up.
- Skilled human resource is also one the barriers towards the growth of this industry and by training facilities and teaching them about it more would give us more skilled people to work with.

7. Conclusion

Outsourcing in Bangladesh has grown due to the uprising of our IT sector and IT development. Plus with the help of the government it is now booming. Government sees this sector as another RMG sector which can produce a lot of foreign remittance. Outsourcing has impacted the Bangladesh economy my a great mile and it will continuing to do good to this countries economy as long as everything works systematically and if the plans taken up by the government is successfully done. All in all outsourcing has become a huge part of our country and people will only be getting benefited by it more and more, as the world's outsourcing market grows every day ours will also grow with it as well. This is the future towards achieving our countries goals and helping its people find more jobs.

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