Investment decision and payment process of BTS at
BUS 401: Internship

Internship report

On

Investment decision and payment process of BTS at

Robi Axiata Limited

Submitted To

Shawkat Kamal
Assistant Professor, Coordinator
EMBA Program
BRAC Business School

Submitted By

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Date of submission

May 15, 2012

BRAC UNIVERSITY
15 May, 2012

To

Shawkat Kamal
Assistant Professor, Coordinator
EMBA Program
BRAC Business School
BRAC University
Sub: Submission of Internship Report

Sir,

This is to inform you that, I Rehnuma Shafik, the student of Bus 401, under your academic supervision have completed the three months of internship program from Robi Axiata Limited. And hence I am submitting my internship report on Investment decision and payment process of BTS at Robi Axiata Limited within the due time.

So this is my humble request to you to accept my internship report.

Sincerely yours

Rehnuma Shafik
08304036
BUS 401
BRAC Business School
Acknowledgement

I would like to mention some people with due respect and honor who helped me not only to solve the problems and complete my internship paper but also introduce me with this new situation and helped to make me easy with this new world without any hesitation. So I would like to thank them all from the bottom of my heart. In this procedure at first we would like to thank Robi Axiata Limited for allowing me to do my internship in their organization trusting my abilities to be worthy for them. Then I would like to thank Mr. Zafrul Hassan Executive Vice President Business Control Finance, whom I got the opportunity to work with and learn the attitude of the corporate world, the behavior, attire and how to show the sincerity and respect the work. Then I would like to thank Mr. Afzal Rasul, General Manager of finance division who guide me in my tasks and made my learning easier in the Finance Transformation Section and also helped me to prepare my report. Then I would like to thank Mr. Sayed Asif Ahmed, General Manager of Accounts Payable section who gave the opportunity to extend my knowledge and work with his team in the Accounts Payable section. Then I would like to thank Mr. Salahuddin Hossain, Mr. Amen Mohammad and Mr. Anowarul karim; Managers of Accounts Payable section who helped me to learn my new task in the accounts payable section and always helped me in solving any small to big issues in my task. Besides, they also help me to prepare the report by explaining each and every detail of my topic as well as show and taught me some of the parts practically. Again for making the report I would like to thank Md. Shorab Hossain Manager of Accounts Payable section, Ms. Rawshan Akhter, specialist, Accounts Payable section and Mr. Mosharraf Hossain, specialist, technology department who helped me to prepare the report by sharing their experience and teaching me some of their tasks. Without their support and help it was almost impossible for me to learn the things and prepare my report and complete my internship period productively. Moreover I would like to thank specially to my office colleagues for making the environment so healthy, friendly and smooth for me to complete my internship successfully. Then I would like to thank Mr. Shawkat Kamal, my academic supervisor, who guide and motivated me throughout the period of the internship to cope up with all the difficulties and prepare my internship report. And last but not the least I would like to thank BRAC University for designing the internship program and making it compulsory for undergraduate program, as a result I got the opportunity to link my theoretical knowledge to the practical experience and get the feel of being the part of the corporate world.
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Executive Summary

As a under grade student of BRAC Business School, it is necessary to join with a company for gaining the practical experience of the theoretical know how’s and I got the chance to join Robi Axiata Limited, one of the renown telecom companies of Bangladesh to do my internship program. In these three months of internship period I got the opportunity to work under different section of the finance division and learn the new tasks in the new environment. Along with gathering the practical experience I have also prepare this report on **BTS Investment Decision and Payment Process** to complete the internship procedure. This report is combined information of the experience on Robi Axiata Limited and what I have learned and came to know about the BTS investment Decision and payment procedure from personal learning and shared knowledge. BTS investment decision is a major decision for any telecom industry and Robi Axiata Limited is not an exceptional in that case rather to hold its current position or improve the position in the market Robi Axiata has to take this decision more wisely. It is not that easy task to make such big decision, there is long process involves in it. Although there is a yearly budget prepared in advance for investment in this sector each year, but any emergency need can affect this predetermined budget. Mainly the demand for a new investment occurs for two reasons like to improve present network quality or to increase the coverage area. Whatever the reason is the investment decision cannot be approved without a proper investigation, survey and analysis. Before taking such decision the departments of Market Operation, Finance and Technology have to work so hard to come up with the ultimate conclusion. Basically the need can be identified by either Market operation department or technology department or by both of the departments. After proper analysis by these departments the decision making is leave up to the finance division after cross checking all the pros and cons if the output from the new investment is satisfactory only than finance department approve the investment decision. Otherwise they have to look for the alternate decisions of the BTS investment. Once the decision is made for investment then technology department along with the help of other departments makes an agreement paper with the owner of the plot which is selected after site investigation for making the BTS plant. And after all the procedures when the agreement is finalized, the construction of the plant is started with the enlisted vendors for this task under the supervision of the civil engineer of Robi Axiata limited. And the vendors are bound perform the task as per their contact
Investment decision and payment process of BTS at Robi Axiata Limited

Agreement with the Robi. And after work competition of the plant the vendor will make draft bill and send to the Robi Axiata Limited if the supervising engineer approved the vendors work then the vendor will be eligible to forward the final bill as per draft bill. But if the supervisor is not satisfied or find any mismatch between the written and actual work. He will notify to make the final bill as per the receiving amount of work By Robi. After all the procedure of the finance division the payment of bill will be transferred to the vendor. Previously in Robi Axiata Limited there was no systematic way to make the payment process. So there had always been chaos and miscommunication regarding this issue as well as made payment process lengthier. Which caused of harass for both the company and vendor. But now Robi Axiata limited is using their OSO service for making this process easier and harass free. After making the improvement in their previous system now Robi Axiata is enjoying a calm and quite system for making this payment to the vendors. Although right now Robi Axiata Limited has not facing any significant issues regarding their current decision making and payment process, from my observation there are still some scope to increase the performance which can be made their decision making and payment process system more stronger. Like in the decision making issues they can give a second thought while analyzing the number of competition factor, or giving up the investment decision in EPZ sectors or they may take initiative to introduce the local roaming facility for decreasing the investment cost. Moreover they can make an online tracking process that will help to know their updates more easily as well as their relation with the company will be more transparent. Again they can take some initiatives to decrease the lead time of their payment process to 30 days from 45 days. This can be helpful to motivate the company vendor relationship without hampering the company’s structure. These are some little issues which Robi Axiata Limited can consider for their future structure of the decision making and payment process.
Chapter 1

Introduction

1.1 Prologue:

Robi Axiata Ltd is one of the major mobile operating companies in Bangladesh that has played vital role in the mobile operation in Bangladesh. The company has always wanted to serve its customer the best, so they have always focus on the imprudent of their network quality throughout the Bangladesh. Base Transceiver Station (BTS) are the core element of the development of any telecom network. Moreover, during the 3 months of working experience in Robi Axiata Ltd I have got the opportunity to know and work in some aspects related to the BTS. Hence the report is all about how Robi Axiata Ltd is making its decisions for the investment in the BTS projects and how the invest process completed along with payment procedures regarding the BTS investment decision.

1.2 Origin of the report:

BRAC University is one of the alleged private universities in Bangladesh which wants the graduates come out from this university can maintain the international slandered so ithasdesigned the curriculum of BBA program in such a way where the internship program is mandatory. After completing 126 credits a student has to go for further 4 credits internship program in a commercial organization. At this internship period at an organization the students get the opportunity to learn blend his or her theoretical knowledge with practical experience through facing the real business world. My academic supervisor Mr. Shawkat Kamal, Assistant Professor, Coordinator of EMBA Program of BRAC Business School of BRAC University, approved the topic and authorized me to prepare this report as part of the fulfillment of internship requirement. The report thus is titled as “Investment decision and payment process of BTS at Robi Axiata Ltd.”
1.3 Objectives:

Investment decisions in the BTS projects are very important for Robi Axiata limited as these decisions can ensure the growth of the company, number of customers and revenue pattern. Basically the objective of the report is to develop a model on where Robi Axiata Limited should invest for a BTS considering some factors. Such as,

- reasons behind the demand of any new BTS
- the major factors that can influence the investment decision on BTS
- Does the investment in BTS can actually solve the problem
- the alternate decisions of not investing in BTS

After finding the base of the decision making of BTS investment, my further objectives are to find out:

- How the investment process takes place
- The associated parties with this investment
- The vendor enlistment and payment process

1.4 Scope:

Finance department of Robi Axiata Limited is engaged in the various tasks but here in this report I will be only focusing how the company takes decisions for investment in BTS, how the invest process is implemented and how the payments are made related to the BTS investment.
1.5 Methodology:

During the 3 months of internship period at Robi Axiata Limited, I got the opportunity to work in the Finance Transformation department and the Accounts Payable section of the Financial Accounting and Management Reporting department. Besides getting the working experience at finance department, I have made this report with the information available from the office and websites under the supervisory of my onsite supervisor, Syed Asif Ahmed, GM Accounts payable department of finance division.

All the information incorporated in this report has been collected from both primary resources as well as from secondary resources. The primary data are basically gained from my direct observations of these three months of working period, my on the job tasks and the shared experiences and information from my seniors and colleagues from finance and technology department.

Basically the report is considering two sectors of BTS. Like decision making process and implementing the investment procedure and the payment process after the investment to the respective parties. So for making this report mainly I have to go through the three major departments of Robi Axiata Limited these are Finance Transformation for considering the decision making process, Technology department for investment process and Accounts payable Department for payment procedure. But none of the department is managing this process individually rather all of them are working as a team for completing the whole process of making the decision to clearing the payment.

At first I had to go and meet Mr. Mosharraf Hossain, specialist, Technology department and take his interview on how Market operation and Technology department is identifying the needs, how they are prioritize the new need and how they are taking steps for further decision making process. I have also come to know from him that how technology department continues the investment process once the decision is approved by Finance Transformation.

Then I meet with Mr. Afzal Rasul, General Manager of finance transformation who also shared his experience with me and moreover I got the chance to work with him and learn practically how they are analyzing the business cases. So from my practical experience and congregate d experience from him I made the decision making part.
After that I have to meet Ms. Rawshan Akhter, specialist, Accounts Payable section who helped me to know the agreements are making and also how the operating expenditures related to this invest are made and controlled. I have also got the chance to work with her and get the practical experience also regarding this process. Then I met Mr. Salahuddin Hossain, whom I got the chance to work with, he had brief me about the whole process regarding the Capital expenditure of BTS investment, using both his experience and my observation I made the report Beside this I also have to go through the treasury section, OSS service, SCM department and the different wings of technology department for more detail regarding my topic.

And the secondary data are collected from the Robi Axiata ltd’s official website, public website, and official documents of the Robi Axiata Ltd.

After accumulating all the information together I used simple qualitative methods to analyze them to prepare this report.

1.6 Limitations:

I have tried my level best to make report flawless as much as possible but due to some limitations and obligations had to conciliate a little bit, this are-

✓ A period of three months is not enough to understand the complete picture of such a huge process. As a result due to the short time period I got a limited opportunity to work only few parts of the process practically.
✓ Company has their own limitations to disclose some of their confidential information.
✓ Available published data was very limited.

In spite of these limitations, sincere efforts have been made to fulfill the findings & objectives of this report as an effective one.
Chapter 2
Robi Axiata Limited

2.1 Company overview:

Axiata Group Berhad is one of the largest telecom companies of the Asia, which has started its operation in Bangladesh back in 1997 as country wide GSM solution provider is the joint venture between Axiata Group Berhad Malaysia holding 70% of its share and NTT DOCOMO INC, Japan holding the rest 30% of the shares, was previously known as Telekom Malaysia International (Bangladesh). It has started its journey in Bangladesh with the brand name Aktel and grabs a large portion of the Market of this industry gradually. Later on in March 2010 it was renamed as ‘Robi’ and the company came to be recognized as Robi Axiata Limited.

2.2 Logo and Slogan of the brand:

The telecom brand now Axiata Bangladesh limited now is known to is customers and people As “Robi”. The bangle word Robi means “the Sun” which is the source of all power, complementing its name the slogan of the brand is “Jole Uthun Apon Shokti Te...” which is actually emphasizing the empowerment of the people.

It means Robi will empower their customers and enable them to make a better life. They believe that, “We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services.” They also believe that “We will keep our promises and deliver. We will innovate, execute fresh ideas and as a nationwide organization, we will be respectful of our customers and stakeholders.” The Alpona in the logo is vibrant and modern. It has a very organic soft feel at the same time as providing a forward moving direction that is interpreting the sign of positivity and focus. The lack of sharp points and use of large curves provides a feeling of warmth and friendliness. As well the Alpona is very close to the root of Bangladesh which also simplifying its slogan.
2.3 Principals of the company:

The company is standing on the eight major principals under the two aspects. Such as;

- The company will be **respectful** towards everyone.
- It will be trustworthy by action. As well as will be **passionate** and **creative** in all they do.
- They will keep the things **simple** in the way of doing things.
- They will always be **ethical** and **transparent**.
- Demonstrating individual and collective **ownership**.
- They believe in an **open** culture in communication and interaction.
2.4 Achievements:

Robi has achieved so many awards and recognitions for its brilliant performances in different sectors in the past few years. And Over the top in the last two years it has also achieved,

- The prestigious Frost & Sullivan Asia Pacific ICT Award 2010 for "Emerging Market Service"
- “Star News HR EXCELLENCE AWARDS FOR INNOVATION IN HR”.
- Re-assessed and rewarded with ISO 9001:2008 certification, Robi received this internationally renowned Management Standard after complying with all requirements.

[Please turn over to appendix for more achievements.]

2.5 Products and Services:

Robi is offering two types of product to the general subscribers based on the subscription category. These are:

- Pre-Paid package:

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

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

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

Other services: Beside the prepaid and post paid packages Robi also benefit its customer by providing –

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

- **International Roaming:** This service allow the Robi subscribers to make and receive calls while traveling as it is connected with 600 operators of more than 200 countries of the world

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

The chain of command of Robi is clear, but the company always maintains an open relationship throughout the chain. That means without any barrier employees are free to communicate directly across the hierarchy.

And the different divisions of the Robi Axiata Limited are:

- Finance
- Market Operation
- Technology
- Corporate strategy
- Human Resource
- CRL
- Administration
- EPMO &
- Ethics office
And the wings of the finance division are:

- Corporate Finance
- Financial Act. & Mgt. Reporting
- Fin. Compliance, Insurance & Process Improvement
- Supply Chain Management
- Media Buying
- Revenue Assurance & Fraud Mgt.
- Business Partnering
- Transformation Office

2.7 Competition Analysis:

There are only few competitors in the Bangladesh telecom industry but there is strong neck to neck competition among them. Although Robi has achieved different awards for the performance in the last few years but still it has to fight strong to hold its market position. When Robi entered in to the market its only competition was the Grameen Phone Ltd (GP) which was the market leader since that time. But later on after the entrance of Banglalink of Orascom telecom the market revolt very soon and Robi had to come down to the number three position from the second position. Till then Robi has to fight with the market leader GP, follower Banglalink as well as the other mobile operators who are just behind its position like, Airtel of Airtel Bangladesh limited, Citycell of Pacific Bangladesh Telecom Limited, Teletalk of Teletalk Bangladesh Limited

According to the 2010 data of BTRC the market position based on the number of active subscribers of the mobile operators are, GP is the market leader, and then the second position is of Banglalink, after that Robi followed by, Airtel, Citycell and teletalk.
To give neck to neck competition to each other the mobile operators are coming up with new packages, tariff plans and other benefits to their customers’ continuously. And the prices of their packages are also more or similar to each others. Thus the prices of the Pre-Paid packages are:

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<td>GP</td>
<td>BDT 149</td>
<td>Bonus Talk time 20, SMS, MMS, Internet</td>
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<td>Airtel Bangladesh Limited</td>
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<tr>
<td>Pacific Bangladesh Telecom Limited</td>
<td>Citycell</td>
<td>BDT 400</td>
<td>Bonus talk time 500</td>
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<tr>
<td>Teletalk Bangladesh Limited</td>
<td>Teletalk</td>
<td>BDT 166</td>
<td>Bonus Talk time 266</td>
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Table: price comparison of the pre-Paid packages
Chapter 3

Experience at Robi Axiata Limited

3.1 On the job Responsibilities:

I am lucky to get the opportunity to work at Robi Axiata Bangladesh limited for 12 successive weeks as an intern at the finance division. In this short period of time it is not possible to go through all the wings of finance division deeply. Yet I got the privilege to work under the two wings of finance division; the finance transformation office and the financial accounting and management reporting departments.

Finance transformation office is a new wing of Robi Axiata Bangladesh limited. That is basically involved in the all kind of decision making of the projects for any division of Robi by cost benefit analysis. Apart from that it is involved and associated directly with the other division of the Robi for making all the investment flawless in effective and efficient way. In this department I got the chance to work with Mr. Zafrul Hassan, Executive Vice President of finance department and Mr. Afzal Hossain General Manager finance transformation office as team. Here I was assign for analyzing the business cases came to the transformation office and help my team to come up with the ultimate decision for investment in any projects. Like analyzing the decision making criteria, then compare the cost and revenues and finding out to the NPV, IRR of the projects to make the final investment decision of different business cases. I have work in some business cases related to BTS, IBS investment decision which basically helped me to me this report as well.

Later on I got the opportunity to work in the financial Accounting and management reporting department in Accounts Payable section in the team of Syed Asif Ahmed, GM Accounts payable department. Here all kinds of payment procedure are done in this section. Here I got the chance to observe the whole payment process of any BTS investment decision very closely that was very effective for me to make this report. I got the prospect to learn the accounting-journals practically, which previously I learned in theories. Again I was regularly engaged in updating the local capital expenditure information which is needed to be ready for the quarterly auditing purpose.
3.2 Abstract of job experience:

Journey of Robi Axiata Limited has bought a completely different experience in my life which I have never obtained before. In the beginning it was so easy for me to adjust in totally a different atmosphere which was completely opposite of my student life. Gradually I observe the situation and get to relate with it. From this journey I came to know how to deal with the situations which may not be favorable always, how to behave adequately in their company, how to do own task, how to respect other task, how to utilize the time and so on. In the three months I have go with a strong routine of my daily task and which was monotonous sometimes, but yet I did not give up. As By this time I was preparing myself mentally strong also by keeping my patience on. For me it was too easy to hang around with my fellow intern friends in the free time but it was as much as difficult to go the seniors to take their time to solve my issues. And I learnt to manage that also. Everyone out of there was very friendly and overwhelming but yet they are very restricted about their space. So it was my biggest challenge to be a part of them in a friendly manner with respecting their space also.

My agenda was not only to do the work I was given to, but also do that error free, sincerely and in time so the afterwards I can be recalled for my performances. It was not easy that in this short period of time I will be known to all of the office colleagues but I am also happy that I could successfully build some good and healthy relations with some of my colleagues from the different departments by my hard work and behavior. And at the end of my internship I can say besides giving me the opportunity to associate my theoretical learning with their practical training, Robi Axiata Limited also helped me to grow more as personas as well as an employee. Those will definitely going to enhance my learning in future.
Chapter 4

BTS Investment Decision and Payment Process

4.1 Overview of the BTS:

Base Transceiver Station (BTS) is the major part of any Telecommunication infrastructure. The increase number of this BTS ensures the higher quality service of network in the surrounding areas under its coverage. So in the expand decision of any telecom company investment decisions in BTS get the highest priority. Because depending on this investment decisions the number of customers of that telecom company and its revenue pattern will vary. Robi Axiata Limited also takes this decision in such way that can ensure its growth in number of customer and revenue pattern. Currently, in all over the Bangladesh Robi Axiata Limited has at least 1 BTS in every Thana of Bangladesh.

Major parts of a BTS site are:

- BTS- the core element of the site which cannot be shared with other operators
- Tower/pole, Shelter/ room, Battery, Generator, rectifier- which can be shared with others if needed.

4.2 Budget for BTS investment:

In every year at time of annual budget preparation for Robi, the allotted amounts are fixed for the BTS investment for the upcoming year. If in the upcoming year Robi wants to spread the network more aggressively then the amount will be more than the previous year. Otherwise it keeps almost similar amount on an average for the BTS investment every year. Generally Robi does not exceed the budget for investment. But if in case there are any serious crises or emergency need for BTS, Robi make the decision for cross the budget or not by holding the meeting and group discussion among the Top level management.
4.3 Reasons behind the demands of new BTS:

Generally the demands for any new BTS arise for the two major reasons. These are:

- To increase the indoor or outdoor network coverage and
- To increase the capacity of current network coverage

The first reason, increase demand for the improvement of network coverage is generally identified by the Market Operation (MO) Division. From their surveys of the customer satisfaction, regional offices, or customers complains they come to know about the weak network coverage. If the problem is beyond then certain limit then MO division informs the technical department about the rising complains and asks to take necessary steps. And the second reason demand for improving the capacity of the current network coverage is identified by the technical department itself. After getting finding the demands for the new BTS the Planning department of technical division goes for an analysis and makes a draft proposal considering the cost and revenue to the Finance transformation Office (FTO) for the approval of the project.

**Flow char 1: find out the demand for new BTS**
4.4 Factors influencing the investment decision:

Basically the draft send to the FTO from Planning Department is more or less an assumption of the future profit from the investment. But the planning cannot get in to the in-depth analysis regarding the investment. So when FTO gets the proposal it goes for an in-depth investment from the information collected through the MO department and Technical department and analysis of the proposal for making the decision flawless. So after getting the proposal at first the proposal is evaluate with some factors. Such as,

a. **Demography of the proposed area for the new BTS:** The demographic condition of the proposed area has large influence on the investment decision like,

i. **Population size:** the proposed are for BTS may have huge number of population which may seems lucrative for future profit coming from that area. But in real the population size will not matter as much as finding out the actual number of target customer from that population is important. Like the target are may have 10000 of population but among them only 3% are my target customer. Then investing in that area will not prove a wise decision. On the other hand if the scenario is totally vise versa, target customers are filling a large portion of the population then investment decision will be a profitable one.

ii. **Age break down:** The target customers of Robi belong to the age group of 15 years to 65 years. If the numbers of potential customers are large in numbers who are out of network in the proposed location for BTS, then the investment decision should be must. But if the numbers are not vivid like maximum people above 65 years and below 15 years then there could be taken an alternate decision of investment of BTS.

iii. **Per Capita Income of the people:** Per capita income of the people is one of the major criteria for evaluation for investment is any new BTS. Because the proposed area may have large number of target customers but they do not have the enough
capacity of income to spend it on the mobile. In that case the investment decision will not be profitable. Like a area around Rangpur where target customer can be high but per Capita income is not enough to spend on mobile. But if the existing customers are large in numbers then the investment decision can be taken.

iv. **Number of community location:** If the community locations such as school, college, university, office, shopping malls, *mashjids* etc are large in number then the place will require a strong network as the number of user are large in number then the investment decision should be taken. It can enhance the chance of increase the number of new customers if the network and services are satisfactory in that region. But if location does not have so much social gathering then an alternate decision can be taken for the few customers.

b. **Completion Analysis:** Before any new investment the competition analysis is must. Because base on this analysis the success of the investment decision can vary. Some major criteria’s for evaluating the competition of the proposed area are:

i. **Number of Competitors at that area:** if the number of the competitor are small in number in that proposed area the investment decision should be taken to grave the potential market considering the other factors. But if the competition is high in that area then also the investment decision should be taken to grab the competitor’s customers by providing better service and network.

ii. **Position of market share of the area:** market shares show the position of Robi subscriber in that particular area among the competitors. If the market share is high at the proposed location but network coverage is poor than the investment decision should be taken. Otherwise it can be the cause of lost of the exiting customers. But if the market share in that particular location is not satisfactory then before taking the investment decision the original reasons for the low market
share should be found out and the steps should be taken according to the problems. And it may not require for a heavy amount of investment of BTS always. Like,

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Results</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packages are appropriate?</td>
<td>Y/N</td>
<td>--/ introduce new package</td>
</tr>
<tr>
<td>Major problem in network?</td>
<td>Y/N</td>
<td>Invest in BTS/ alternate decision</td>
</tr>
<tr>
<td>High tariff plan?</td>
<td>Y/N</td>
<td>Bonus or incentives/ ---</td>
</tr>
<tr>
<td>Less recharge point</td>
<td>Y/N</td>
<td>Increase availability/ --</td>
</tr>
<tr>
<td>Less customer care</td>
<td>Y/N</td>
<td>Increase availability/ --</td>
</tr>
<tr>
<td>Less Value added services?</td>
<td>Y/N</td>
<td>Introduce new service/ --</td>
</tr>
<tr>
<td>Lack of information?</td>
<td>Y/N</td>
<td>Increase promotional activity/ --</td>
</tr>
</tbody>
</table>

Besides finding out the own lacking, finding out the reasons behind the competitors strong market position can be another beneficial tool for the investment decision.

iii. **Market penetration**: It means what is percentage of Robi subscriber of total percentage using mobile phone at that particular region. Like 60 % of population is using mobile phone at that particular area and only 20% of them is Robi subscriber. So market penetration is 20% for Robi at that area. If this number is low again need to find out the actual problem to come up with ultimate solution. But if the number is high but still there is poor network coverage then definitely need to improve the network coverage of that place.
c. **Existing network quality of the area:** To find out the existing network quality is another important tool to determine whether there is any need for the increase of the current BTS capacity or not. There are two criteria to find it out. These are:

<table>
<thead>
<tr>
<th>Find out the population coverage</th>
<th>Find out the geographical coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>if the percentage of population currently out of network are:</td>
<td>if the percentage of area currently out of network are:</td>
</tr>
<tr>
<td><strong>Condition</strong></td>
<td><strong>Decision</strong></td>
</tr>
<tr>
<td>Large in number with large potential customers</td>
<td>Invest in BTS</td>
</tr>
<tr>
<td>Low in number but has potential customers</td>
<td>Invest in BTS/ alternate decision</td>
</tr>
<tr>
<td>Large in number with few potential customers</td>
<td>Alternate decision</td>
</tr>
<tr>
<td>Low in number with few potential customers</td>
<td>Alternate decision/ no investment</td>
</tr>
</tbody>
</table>

Like network coverage of Robi is very poor in Cox’s bazaar or Sent martin’s island as well as number of customer are also few or there can be a huge demand of networks only in few seasons. Rest of the time of the year demand is below average. In such cases, such big investment decision will not be profitable; hence the alternative decision of BTS investment will be more appropriate here.
After considering the above stated criteria’s, then the second steps requires the analysis of all the direct, indirect costs and revenues, taxes etc related to the project considering all the small details and find out the ultimate Net Present Value and Internal Rate of Return to find out whether the project will prove actually profitable or not in the long run. If the results satisfactory only then the projects are approved for the further process otherwise the project is stopped there and asked to take alternate decision in spite of investment of any new BTS project. As the ultimate base line of any project is profit earning. If the project fails to generate profit then there is no meaning to engage such big amounts it those projects.

Flowchart2: investment decision at FTO

[Please turn over to appendix for the NPV IRR analysis sample]
4.5 Alternatives of BTS investment: If the investment decision of new BTS is not profitable but still there may be some need for improve network condition or otherwise there might be chance of losing customer. In such scenarios the alternate decisions of not investing in BTS can be taken. Like,

- **IBS:** Investment in IBS inside Building Solution which is also known as micro BTS can be an alternate solution at less investment. It has the power to increase the network capacity lower than a BTS but higher than a Repeater. This can extend the network capacity at Indoor as well as at some level to the outdoor also.

- **Repeater:** Repeater is another alternate option of not investing it BTS. It has the lowest capability to extend the network than BTS and IBS. It can only ensure the strong network support at indoor. And sometime the capacity is limited to a floor of a building. It can be used for only the network problems inside a building. It grabs the signal from the nearest BTS and pass it on the other BTS where network condition is weak.

- **Site sharing:** if it is not possible to go for a whole BTS site for the network improvement than, site sharing can be another option. Like if in an outdoor where network is weak but a whole site investment is not profitable than company can take the rent of other operator’s BTS site and install only a BTS over there. It can solve the problem as well at lower investment rate.
4.6 Investment Agreement procedure: After receiving the approved project by the FTO, planning department hand over the project to Site Procurement and Infrastructure (SPI) department of technical division for the further process. Then the SPI department sends a team of 4 members to the site for the survey and other details. Generally this team has members from-

- **1 from Planning department**: for monitoring the whole procedure. Generally planning department set the promising location for the site via GPS system. But often they found that the location may not be suitable for the site at the field visit. In such condition whatever the alternate decision is taken by the team, to monitor and allow that a member from the planning team joins the team.

- **1 from SPI department**: for identifying the most appropriate location for the site. If the pre set location is not appropriate for the site like, it can be pond or EPZ area then they cannot take the place. So for taking an alternate location from which the site will get maximum advantage a member of SPI department joins the team. And the alternate location can be-
  - Land: that will be called as Green Field site or
  - A building: that will be called a roof top site.

- **1 from civil department**: for finding out infrastructure detail and identify the right building for the site. When the team a found a suitable location then the member of the civil department find out the condition the location. Like, if it is land then what is its condition, situated in flooded area or not, if yes then what could be the solution. Or if it is a building then what is the condition of the building, is the building strong enough to take the load of the BTS site, in which part of the building the site can be made etc. if the building is strong enough then a room can be made under the tower, if the building is not strong enough then a shelter can be made.
• **1 from finance department:** for the negotiation of the rent and other issues. When all the other team members are satisfied with the location the member of the finance department meet with the owner of the location for further negotiation. If it is a green field location then Robi generally purchase the land for the site. But it is not possible all the time. As the land can be a government land or the owner may not want to sell the land in such cases, the want to take the lease of the land. Even taking lease is not possible then they try to take Land for rent. Even the owner is not ready for the rent then they drop this location and found another one. But if the owner is ready to sell / lease/ rent then the further negotiation process proceeds according to the approximate value of the land of that area. And after the negotiation the value for the rent/ lease or sell is set.

Once the rent is set, then the team made a Memorandum of Understanding (MOU) with the owner of the land. In the MOU all the clause and policies are written in detail. Like detail information of the owner, detail description of the property, rent, payment process( generally yearly), advance amount, permission for making shelter/ room on the property, utility etc. after that the team made a Technical Site Survey (TSS) report holding each and every single detail of the site survey for the planning team. A TSS report includes the-

<table>
<thead>
<tr>
<th>Geographical position of the proposed location</th>
<th>Yearly budget for the operational work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site information</td>
<td>Planning Data</td>
</tr>
<tr>
<td>Coverage map of existing site</td>
<td>Civil works and installation detail</td>
</tr>
<tr>
<td>Coverage statistics of existing site</td>
<td>Site health and safety</td>
</tr>
<tr>
<td>Budget for this particular development work</td>
<td>Site pictures</td>
</tr>
<tr>
<td></td>
<td>Layout sketch etc.</td>
</tr>
</tbody>
</table>

Once the TSS and MOU is made, these are send to the SPI department for making the internal approval note and meeting minutes. Which includes the detail information regarding-
Objective of the projects

Summary of all the terms and conditions - demised premise, term of tenancy, commencement date, expiry date, utility, termination clauses, etc.

Summary of negotiations and payment terms - negotiation committee, monthly rental, payment schedule, and further payment terms etc.

Justification details

Terms and condition of the approval note

Recommendation of approval

After preparing these reports, these are approved by SPI department according to the Limit of Authorization (LOA). Then the reports are sent to the accounts payable section finance division for further process. After getting the reports finance verify the technical justification, Meeting minutes, and approval notes. Then they open a vendor maintenance form with the detail information of the owner of the property and cost center creation form with the detail information of the site. Then finance compliance determines the vat, tax of the site. Like

- If the usage land is greater than 300sqf then vat is applicable and
- If the monthly rent is <= 20000 than no tax for that,
  - If rent is between 20001 to 40000 then 3% tax is applicable
  - If the monthly rent is> 40000 then 5% tax is applicable

After determining the vat and tax of the site, the information are inputted into the System and create a vendor invoice for determining the payment sector. Generally these payments are done under the heading of Site and space. Then printed invoice are sent to the LOA for approval.

- If the invoice amount is <= BDT 10,00,000 then it is approved by the functional manager
- If the invoice amount is in between BDT 10,00,001 to 1.5 mil then is approved by the head of the unit
- If the invoice amount is > BDT 1.5 mil then it is approved by the chief financial officer.
After the approval of the invoice it is send to the treasury section for making the checks. In the treasury section they deduct all the vat, tax and make check of the net amount and forward this check to the SPI department. Then the SPI will meet again the property owner with check of advance payment and 2 copies of agreement paper. After the signing the agreement paper by the both of the parties the agreement will be valid and the rental period will be started.
Flow chart 3: agreement making procedure for the investment
4.7 **Vendor Enlistment process:** Basically for the BTS site the vendors are divided into 4 parts.

- **Owner of property:** where owner of the property becomes the vendor after negotiation vendor for the company. Company goes in a agreement with the vendors T least for 15 years divided in to 3 sections of each 5 years. If sites are profitable than the agreement extends or if the site fails to earn profit the contract may come to an end with in the 5/ 10 years.

- **Civil work:** for the civil work Supply Chain Management department give circular in the newspaper for tender. Then SCM collect quotation from the Vendors. And after the cost benefit analysis in a meeting they select the vendor panel for each segment. Like,

<table>
<thead>
<tr>
<th>Shelter suppliers</th>
<th>Room constrictions</th>
<th>Tower supplier</th>
<th>Microwave line</th>
<th>Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>contact</td>
<td>Name</td>
<td>contact</td>
<td>Name</td>
</tr>
<tr>
<td>Rahim &amp; sons</td>
<td>Miler</td>
<td>Rahma</td>
<td>Miler</td>
<td>Abul&amp;Son</td>
</tr>
<tr>
<td></td>
<td>Matha2</td>
<td>n&amp;co.</td>
<td>Matha1</td>
<td>n’s ltd.</td>
</tr>
<tr>
<td>Desai brothers’s</td>
<td>Abul&amp;Son</td>
<td>Miler</td>
<td>Jalal Ltd.</td>
<td>Desai</td>
</tr>
<tr>
<td></td>
<td>n’s ltd.</td>
<td>Matha2</td>
<td>brothers’s</td>
<td>brothers’s</td>
</tr>
</tbody>
</table>

After selection of the vendor panel, company goes with the agreement with each of them individually minimum for 1 or 2 years. And after every two years the agreement can be terminate or renew with the existing vendors. Agreements includes all the details like, terms and conditions, maximum duration to complete the work, delivery area mostly nearer zone to the vendor to minimize cost, payment schedule, Liquidity and Assiduity Damage (LAD) etc are written clearly.

- **Equipment purchase and installment:** Robi mainly export the equipments from Hawaii China, Ericson, Z.E.T. but the installments are done by the local vendors. It can be the same vendor who will be doing the civil work or can be different vendor as well. But the vendor enlistment process will be same for the local vendors.
4.8 Processes of making the site: once the agreement is made, planning department takes over the roof of the building or the land. Then planning department decided whether to make room or pre fabricated shelter depending on the property condition. In the mean while engineer from the civil departments also check the building status and prepare the layout. And then the site is over to the civil department for the further process.

After that civil department creates Purchase Requisition from the vendor list and send the PR to supply chain Management Department. The PR consists of all the valuable details regarding the site construction. And it is also clearly stated in the PR that what will be the maximum limit of the payment for the vendor. Then Supply Chain Management selects the vendors from the vendor panel, convert the PR to Purchase Order (PO) and send the PO’s to every selected vendors. Again the PO has all the details including time duration for the construction work, who will be the engineer in charge (EIC) etc. After that the selected vendors will go to the site and start the construction work under the observation of the EIC. The EIC will monitor the whole work and if found any work unsatisfactory, he has the right to stop and make them do it again. Generally vendor gets maximum 45 days to complete the whole site. After implementation of all the equipments the sites becomes on air and civil department handover it to the Regional Office.

Flowchart4: site building process
4.9 Cost and payment process of the investment: the cost of the BTS sites are divided into two parts-

- **Payment of operational expenditure:** After getting the proper documentation the first check will be disburse through the SPI department. But from the second issue all checks will go to the Regional offices from the Treasury department via OSS department. Then the RO will deliver the checks in the respective sectors.

- **Payment of capital expenditure:**
  
i) **Price of land:** if any private land is selected for the site Robi mainly purchase the land. After the negotiation of the land Robi purchase the land following the general procedure of land purchase. And the payment can be made on check.

   ii) **Equipment purchase and installation:** the equipments are export from the particular vendors that Robi has for each segment. And the whole purchase and payment process is held on LC. And the associated banks with Robi for the LC are- CTN, SCB, and EBL. But the payment of the local vendors are making through the One Stop Service (OSS).
iii) **Payment for the civil work:** After the work completion the vendor submit a draft invoice to the OSS department. After receiving the draft invoice OSS will input the bill in the system under the particular vendor detail. And after checking SAP will forward the bill to the respective department from where the PR was issued. And for completing this task OSS will take maximum 2 days thus this civil work bill will go to the civil department.

Then the Civil department will send the draft bill to the EIC (technology warehouse) for the final verification. If EIC is satisfied with the draft bill he will sign and send it back to the civil department. But if he thinks the actual work does not value as much as the bill shows he will correct it according to the amount of good receive by the company. Like vendor send a bill of BDT 700000 but EIC approved BDT 600000 after comparing the work. Then EIC will prepare the Good Receive (GR), Work competition certificate and will send the paper to the compliance department. And it may take maximum 15 days to complete this task.

The compliance department will check the price and rate of all the elements used in the work and compare those with the vendor agreement, according to the agreement vendors are bound to provide materials at the stated price. If the prices are higher than the stated price then the company will not provide the extra charge. But if due the market price condition price raise, then the vendor has apply in the finance department for the approval note for the extra price. Otherwise vendor will be paid as per as the contract. Then the time duration of the work competition will be checked, if the work is not done within the time limit compliance will charge LAD and resend the document to the OSS department. And it may take maximum 3 days to complete this task.

After that OSS again check the draft bill scan and store the information in the SAP and send the bill of BDT 600000 with valid reasons to the vendor for sending the final bill. Again OSS gets only 1 day for doing this task.
Flow chart 5 Working process of OSS

After getting the draft bill vendor will send the final bill to OSS again. And they will get 3 days for sending the final bill after getting the draft. Then OSS will send the final bill to the Accounts payable division of finance department. After getting the bill accounts payable will verify the final bill and the relevant documents. If there is any need they will communicate with the compliance department for the explanations. This process may maximum 5 days.

And then they will park the bill into the SAP system after invoice verification. Then the parked invoices are posted by the Limit of Authority. After this posting the bill will be approved by the system. Then the documents will be forward to the treasury section of corporate finance for preparing checks against the invoice. And will take another three days for parking, posting and forwarding the bill.

After check preparation according to the invoice verification by treasury department it will be forwarded authorization signature. And then the check will be signed by the respective authority and send back to the OSS. That may take maximum 5 days in total Again OSS will inform the vendor that the check is ready and then vendor will collect the check from OSS. And it will take a maximum a day for informing the vendor.

Thus the total payment process will be incorporated within 38 days and considering any delay it can take maximum 45 days to complete the process.
Material/services delivered by vendor

Submit BOQ & documents by vendor to OSS

OSS Receive & check documents

- Y
  - Receive entry in online register
  - Forward documents to respective departments
  - BOQ/Documents
  - Physically verify BOQ
    - Y
      - Complete WCC & GR in SAP
      - Send WCC, BOQ, Account statement to TC
      - Check rate, LAD etc
        - N
          - Send WCC, BOQ, account statement to OSS
          - Check and verify the documents
          - Pass entry (IV and park document in SAP)
        - Y
          - Receive the final Bill from OSS
  - N
    - Return document & ask to resubmit
      - OSS Receive & check documents
      - N
        - Submit BOQ & documents by vendor to OSS

N

Scan, save and send the doc to vendor to make final bill
Flowchart 6: payment process

Pass entry (IV and park document in SAP)

Post documents in SAP

Forward the documents in treasury

Prepare/ upload batch/ checks

Authorized batch and sign the checks

Forward checks to OSS for distribution

OSS Handover checks to vendor
Chapter 5

Recommendations

Robi Axiata limited is following a long but sound system for making the investment decision and the payment process of the BTS, which is making the whole system easier. Each department has their own work, so for a single project there are multiple departments are directly associated with it. This is helping to reduce the working chaos as well as smooth the process. It is not easy to go through the whole process in such a short time but yet after analyzing the whole process there are only few spaces where I can suggest them for reconsideration. Like,

1. At the time of analyzing the factors before considering the investment decision, Robi wants to invest in such places where competition is high as well as Robi’s market position is weak. The issue is to snatch competitor’s customers. But I personally believe that, It can be prove wrong as Robi is at the third position in the completion, where as it’s two major competitors GP and Banglalink are in much better position with lucrative packages. So before going with high investment set up new BTS plant in such areas Robi should at least ensure that it will increase its customer. For that Robi can invest in the new facilities, advertisements before such big investment. Otherwise it can go with the alternate investment decision.

2. In the mobile industry of Bangladesh currently the operators are only allowed to share the BTS site with each other. But they are not allowed to share their BTS with each other. So if a operator faces network coverage problem the it can rent other operator site and install its own BTS. And local roaming is a facility which allows the operator to share their BTS also. But this facility is right now not present in Bangladesh. So if Bangladesh government allows the mobile companies for local roaming facility it can reduce the BTS investment cost. So for that Robi Axiata Limited should take some initiatives for the government approval. Because this steps may bring huge returns for the company in future.
3. Another issue I found is in the site selection process. If the location selected for the BTS site is on the EPZ’s or Government plot than it becomes hard to take the lease. Hardly any times they got the permission for set up plant but often they don’t get the permission. As a result they have to drop the plan for investing in those areas. But if they can set up IBS or Repeater outside of those areas which will increase the network coverage and the problems may decrease to some extent.

4. Although Robi just introduce the OSS department for handling the payment and bill to overcome the problems from the previous system yet there are also some issues in this payment process which can be improved. Like whenever a vendor submits an invoice, Robi gives them a unique tracking number. So whenever the vendor needs to know his current status, payment condition, approved bill amount or any other queries he has to call to the OSS department and then the OSS department informs them about their status. Or OSS sends email to the vendor about his status. But it is a time consuming process. As vendors have to believe the OSS and phone lines may busy for long hours as well as vendor may not receive the mail send by OSS. So to solve this problem Robi can open a new portal or enhance a option on their current portal for the vendors. So that when ever vendors need updates they have to just log in to the web site from anywhere. It can save both of the company and vendors time. As well as make their relationship with the company more transparent.

5. Again Robi is currently taking 45 days of lead time for completing their payment. This has a opportunity to decrease it to a lead time of 30 days without hampering the accounts payable policy. Like it is better for a company to hold the accounts payable as long as possible, as company can utilize the funds in the other sectors. But if it takes too long to pay the accounts payable their relations with the vendor get affected. And from the begging vendors are facing problem for longer payment schedule. So Robi can make this schedule shorter for holding a good relation with the vendors and keep its reputation strong. Like technology department can take 10 days rather taking 15 days, accounts payable can complete its task within 5 days instead of taking 10 days and so on.
Chapter 6

Conclusion

At the wrapping up it can be said the Robi Axiata limited has working hard to grab the Bangladesh mobile market. But due to the high competition in this industry it is still standing at the third position. But yet Robi is fighting in competitive spirit and ready to get back its previous position or even stronger than previous with the new packages and services. At the same time it is trying to improve its network condition. But for that the company is not making the decision in hurry, rather they are following a sound and in depth investigation before taking the final investment decision. After taking the decision they also follow a complete procedure with the help of other departments for making the agreement, vendor enlistment, as well as civil work. Everywhere a team work is visible which helps them to come out with better and profitable outcomes. Again for the payment for the expenditure they have come up with their new One Stop Service which helps them to avoid all the commotion regarding the payment process. These all are helping Robi to come up with a new face to its customers. Yet there are some little scopes to improve their process in the BTS investment decision, implementation and payment. If they consider those issues they can see more bright future.
Reference

http://www.linkedin.com/company/axiata-bangladesh-ltd
http://en.wikipedia.org/wiki/Axiata
http://www.robi.com.bd/

Abbreviation

FTO: Finance Transformation Office
SPI: Site Procurement Infrastructure
TSS: Technical Site survey
MOU: Memorandum of Understanding
BOQ: Bill of Quantity
OSS: One Stop Service
WCC: work completion Certificate
GR: Goods Received
SAP: system Application Products
TC Technology Compliance
LAD: Liquidated Ascertained Damage
IV: Invoice Verification
Appendix

2.4 achievements:

- TeleLink Telecommunication Award 2005
- DesherKagoj Business Award 2006
- Financial Mirror & Robintex Business award 2006
- Arthokontho Business Award 2006
- Standard Chartered - Financial Express Corporate Social Responsibility (CSR) Awards 2006
- TeleLink Telecommunication Award 2007 TeleLink Telecommunication Award 2007
- Bangladesh Mobile Phone Businessmen Association (BMBA) Award 2008-2009
- Cost optimization project saved 2 times of what was projected
- Ranked within top 6 global comparable telcos in A.T. Kearney benchmarking exercise in 2009
- Awarded the prestigious fund grant from GSMA MMU (Mobile Money for the Unbanked) in 2009 and so on,

4.4 Investment decision at FTO: NPV, IRR analysis:

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Investment decision and payment process of BTS at 39

- **Sample payment request:**

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Total: 368000.00

Prepared By: [Signature]

Recommended By: [Signature]

Approved By: [Signature]

Md. Mostaflu Hossain  
Specialist, SFI  
Technology Division

Kazi Md. Asaan  
Manager, SFI  
Technology Division

Mr. Zainul Haque  
GM, SFI  
Technology Division

Date: 10th April, 2012

Subject: Payment Request

Dear Sirs,

Please find enclosed herewith the copy of approval for Rent Payment against following BTS. Rent shall be paid in monthly instalments. Rent shall be paid by cheques in the name of Mr. Abdul Bubur. Total rent due is 368000.00 Tk.

Prepared By: [Signature]
Recommended By: [Signature]
Approved By: [Signature]

WACC 14%  
Tax Rate 45%  
Useful Life 10 years  
Monthly OpEx 7 BDT'000  
USD Rate 85

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• Sample pictures of some civil work

Green field tower

Inside work of BTS Room
IBS Work and Roof top pole work

Roof top tower and inside power supply work

Floor plan for civil work