

Report on  
An Overview of the ERP system at Nagad Ltd – an MFS Provider

By

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20104108

An internship report submitted to the Brac Business School in partial fulfillment of the  
requirements for the degree of  
Bachelor of Business Administration

Brac Business School  
Brac University  
December 2023

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## **Declaration**

It is hereby declared that,

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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20104108

**Supervisor's Full Name & Signature:**

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**Saif Hossain**  
Assistant Professor & BBA Program Director, Brac Business School  
Brac University

## Letter of Transmittal

Mr. Saif Hossain

Assistant Professor & BBA Program Director

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submitting internship report

Dear Sir,

I express my heartfelt gratitude for giving me the opportunity to create the report named “An Overview of the ERP System in the Context of an MFS (Nagad Ltd.)”. I am delighted to let you know that I have done my internship in the Human Resources department of Nagad Ltd. where I have gained first-hand experience regarding many roles and responsibilities.

The report I have made fully consists of my work and secondary data have been cited in a proper manner.

From the core of my heart, I really hope the report will meet your expectations.

Sincerely yours,

---

Fatima Hossain Samiha

20104108

BRAC Business School

BRAC University

Date: December 4, 2023

## **Non-Disclosure Agreement**

This agreement was made and entered into by and between Nagad Ltd. and the undersigned student at Brac University Fatima Hossain Samiha.

I, Fatima Hossain Samiha, will show my proper professionalism and will not disclose any confidential information of the company even after my tenure ends with the company.

---

Fatima Hossain Samiha

20104108

BRAC Business School

BRAC University

## **Acknowledgement**

To begin with, I want to express my gratitude to **Almighty Allah** for making me capable of my every success. Next, I would like to show my gratefulness to my university supervisor **Mr. Saif Hossain**, for his proper guideline for conducting this paper. I am also thankful to **Mr. Hossain** for his basic accounting classes which motivated me to take this subject as my major. Moreover, I thank **Mr. Riyashad Ahmed**, my university co-supervisor for being an inspiration.

My heartfelt gratitude is to **Mr. Md Mahmudul Hasan**, my on-site supervisor, for his unwavering support throughout the journey. His dedication and passion for work has also motivated me to become hardworking. Moreover, I appreciate **Mr. Mahmudul Hasan Bhuiyan's** time and effort in helping me with firsthand information. In addition, I am grateful to my other colleagues **Ms. Jarin Tahrin, Ms. Mahfuza Begum, Ms. Zeba Mubashera, Ms. Smita Aparna and Mr. Bishal Roy** for making my internship journey memorable.

A big acknowledgment goes to my friend **Mr. Abdulla Al Sahad**, for always helping me in critical decision making. Thanks to my friends – **Juhayer, Tasnova, Laiba, Atqiya, Taufiq, Oritro, Silma and Nisa** for making my undergrad life full of beautiful memories.

Last yet most important thanks go to my parents **Mr. Md Abul Hossain, Mrs. Shahana Hossain**; my siblings **Dr. Ayesha Hossain Sadia, Dr. Khadija Hossain Sabiha, Ifteher Mahmud** and niece – **Mahdiya Tamadur Islam** for being my courage, my confidence and my support.

## **Executive Summary**

This paper has been conducted considering Nagad Ltd.'s ERP system. From inception, the company had to face some challenges on introducing the system. However, they were able to overcome those and are still in continuous thirst for improving their system. This report focuses on the company's overall HRIS system and its contribution to many aspects. Such as, how their internal information system has helped to develop internal control, how it assisted in management practices and what are the substantial benefits derived from it. Additionally, the report highlights the motivations behind the implementation of such software and what were the faced challenges. The methodology adapted for this report is based on primary data. Nevertheless, one of the key findings of this study is the ERP system has enabled the company to take critical management decisions in a data driven manner as data has been more accessible. Furthermore, the internal control environment has also improved because of proper reconciliation techniques. To conclude, their effort and endeavor regarding development of this system is helping them to increase their brand value, goodwill, and employer brand image.

**Keywords:** ERP; database management; internal control; management practices.

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## List of Acronyms

A/C	Account
CS	Customer Service
ED	Executive Director
ERP	Enterprise Resource Planning
HR	Human Resource
HRBP	Human Resource Business Partner
HRIS	Human Resource Information System
HRMS	Human Resource Management System
IT	Information & Technology
KPI	Key Performance Incentive
MD	Managing Director
MFS	Mobile Financial Service
MoU	Memorandum of Understanding
NOC	No Objection Certificate
OD	Organizational Development
PIP	Performance Improvement Plan
RB	Reference Board

## **Glossary**

Attendance & Adherence    The policy of entering office before 10 am and fulfilling 9 hours of work at office

## **Chapter 1: Overview of Internship**

### **1.1 Student Information**

Name: Fatima Hossain Samiha

ID: 20104108

Program: Bachelor of Business Administration

Major: Accounting

Minor: Human Resources Management

### **1.2 Internship Information**

#### **1.2.1 Period, Company Name, Department, Address**

Period: 4 months

Company Name: Nagad Ltd

Department: Human Resources

Address: Delta Dahlia Tower (Level 10), 36, Kamal Ataturk Avenue, Banani, Dhaka -1213.

#### **1.2.2 Internship Company Supervisor's Information**

Name: Md. Mahmudul Hasan

Designation: Head of HRBP & Rewards

### **1.2.3 Job Scope**

Initially, I had been assigned as an intern of HRBP team. However, during my tenure I had the opportunity to work with the Operations team and the Organizational Development team. Undoubtedly, working in multiple teams has helped me to gain a better understanding of the HR processes and practices of this organization. Nevertheless, the job scope is described below –

1. Assisting in talent acquisition.
2. Coordinating interviews.
3. Preparing documents for recruitment process.
4. Assisting during onboarding process.
5. Updating HR database with new joiner's info.
6. Creating hard copy files for each joiner with required documents.
7. Maintaining several excel files using different functions based on the necessities.
8. Preparing PPTs for different aspects.
9. Assisting in preparing NOCs.
10. Preparing LinkedIn job posts.
11. Composing required internal documents.
12. Taking part in ID card and business card reconciliation process.

## **1.3 Internship Outcomes**

### **1.3.1 Student's Contribution to the Company**

During my tenure, I believe that I have contributed to the company by fulfilling the assigned tasks timely and smoothly. For example, in the recruitment and onboarding process, I was assigned multiple duties from communicating with the candidates to onboarding them after being selected. Notably, I was always able to deliver error free work in a timely manner. However, the most appraised contribution of mine was clearing the backlog of employee files. There were almost 80 files in the backlog, and I was able to clear 64 of them within 15 days. The task was very challenging and time consuming. Moreover, I assisted in preparing ID cards within a very tight deadline. Finally, I took part in identifying discrepancies of System database and HR dashboard of this company.

### **1.3.2 Benefits to the Student**

While working here I was able to develop my own skillset and knowledge and comprehend how academic knowledge can help in real world situations. Moreover, my communication and time management skills have developed a lot. In addition, the company has a good learning and welcoming atmosphere which enabled me to take part in multiple functions. Furthermore, the organization also accepts the interns to rotate in between different teams within the same department to ensure better learning. Notably, I was invited to take part in a training session named “The ABCs of Mobile Financial Services” which was a very insightful one. On top of

that, my on-site supervisor has arranged an HR learning session recurring every week on “Labor Law of Bangladesh”. Hence, this organization is helping me gain firsthand learning experience of the corporate world as well as assisting me to improve my academic knowledge.

### **1.3.3 Difficulties Faced during the Internship**

As this was my first full-time job, I had the difficulty of adjusting to such a long working hours in the office. Moreover, the task of clearing backlog files was a very challenging one and I had to communicate and deal with several individuals to finish the work. However, I have also faced difficulties while preparing this report due to confidentiality concerns of the company. As a result, to complete Chapter 3 of this report, I had to mostly rely on the interview information and there was very little scope to cross validate the information which has created the possibility of containing biases in the findings. Lastly, due to my lack of experience at the beginning of my internship I faced difficulties in communicating with different individuals diplomatically and smartly which I had overcome very soon with the proper guidance of my on-site supervisor.

### **1.3.4 Recommendations to the Company for Future Internships**

From my experience with the company, I have observed that some aspects of the company can be improved for further internships which are described below –

1. In my opinion, since there are many teams in HR division, for better learning purposes, the intern can be rotated for periods of time to each team.

2. Moreover, I would recommend more feedback sessions on an intern's performance for his/her better growth.
3. Furthermore, I would suggest more direct tasks with the on-site supervisor for his/her more accurate evaluation of the intern's performance.
4. In addition, the company can introduce 3 batches of internship rather than 2 throughout the year to be in top priority list of good candidates as some students hesitate to commit for 5 long months of internship.
5. Additionally, more candidates can be selected for aptitude test and then rejected. Otherwise, it gives a negative impression among the students that the company only selected the high CGPA holders.



## **Chapter 2: Organization Part**

### **2.1 Introduction**

#### **2.1.1 Introduction to NAGAD Ltd**

Nagad Ltd is country's one of the leading Mobile Financial Services which is fastest to Unicorn with a valuation of 1 billion dollar. The company is a subsidiary of Bangladesh government which is under Ministry of Post Office and Telecommunications. It was officially launched on March 26, 2019, by our respected Prime Minister Shekh Hasina. Since its inception, it has had remarkable consumer attention due to its lowest cash out charge. Consequently, the company has more than 80 million customers and has a record of more than 900 crores daily transaction. However, it has designed user friendly interface and has several options such as Send Money, Cash Out, Mobile Recharge, Add Money, Transfer Money, Insurance Policy, Merchant Pay, Bill Pay, EMI Payment, Tickets Purchase (bus, train, launch, flight), Toll Payment, Digital TV Subscription, Games Subscription, Jakat Calculator and Donation.

Nevertheless, the company believes that financial inclusion of everyone can help our economy turn into a cashless digitalized one. In alignment with that they have a mission of making their service available and accessible to everyone including less privileged segment of Bangladesh. As the company wants to be the number one MFS of the country, it has always been very concerned about the security issues and so the users of Nagad have almost no record of falling into trap of fraud till date.

In addition, the company, by offering affordable service Nagad is trying to increase financial literacy and mobility. Consequently, their service is accessible to every class of people and mass financial inclusion is taking place. The company's objective is to reach underserved and

unbanked segment to expand its business which will have a positive impact on economic growth of Bangladesh.

Notably, the company's contribution and performance has been remarkable and so they have won many prestigious awards since their inception. The most recent one is winning "Master Card Excellence Award 2023". Moreover, the company has also got "Inclusive Fintech 50 Award", "Best Innovative Digital Financial Service Brand" at 10<sup>th</sup> Global Brand Awards – UK, "Best Digital Financial Service Provider Award" at Global Brands Magazine Awards, "Digital Bangladesh Award" and so many more recognitions. Furthermore, Nagad's case study has been featured in Philip Kotler's book "Essentials of Modern Marketing". Philip Kotler – who is known as the father of modern marketing has authored a case on this company and the company's Managing Director – Tanvir A. Mishuk is the co-author of that chapter (n.d., 2023). Hence, the company's performance has been recognized throughout the country and globally.

### **2.1.2 Introduction to Nagad Digital Bank**

Nagad's Digital Bank, which is currently known as Nagad Finance Ltd has got a license for operating. The Central Bank of our country has granted Digital Bank license only to 2 companies and Nagad is one of them. Some of the features of this digital bank is they will not be having any physical presence rather than their headquarters. Hence, they cannot have any branch or sub-branch as well as no ATM cards of their own. But they can enter into agreements with other conventional banks or Mobile Financial Service providers for expansion of their business and services. Moreover, they can issue virtual cards or QR codes to run their operations smoothly.

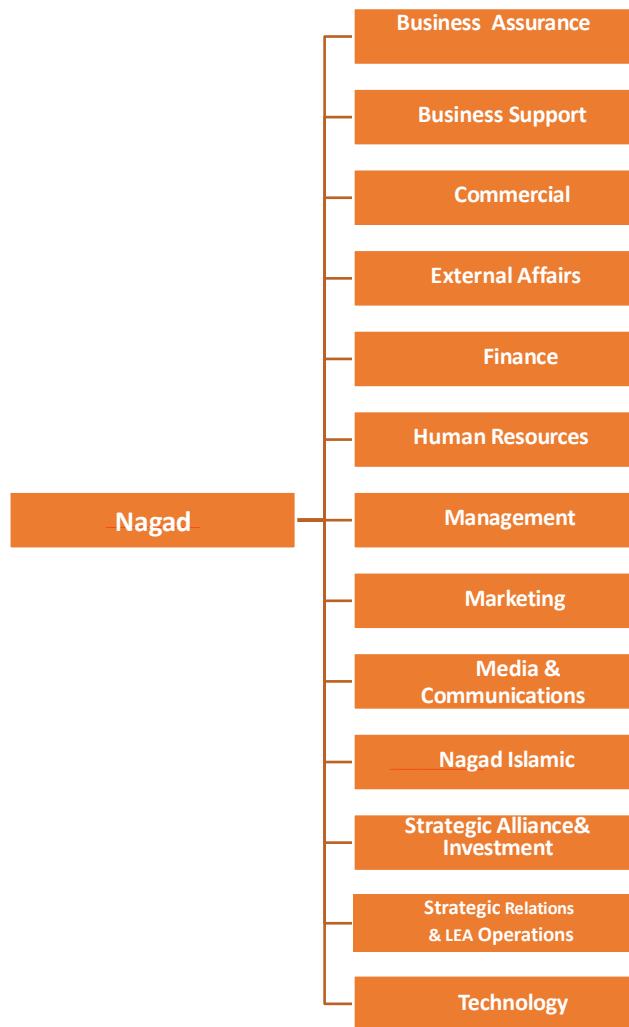
Basically, they are not allowed to issue any physical instrument and transact foreign currency. Regarding foreign currency, they can only receive remittance.

The policies, procedures and strategies for the digital bank are still under processing and many teams are working on it to shape it. Consequently, the organogram is not fully finalized yet. However, the teams have been decided and they are planning to work under 6 main teams namely Marketing and Customer Experience, Technology and Operation, Strategy and Business Plan, Finance and Regulatory, CS – HR and Policies, Customer Experience.

The success of this digital bank can open a new door for Bangladeshi economy. As per the two approved digital bank's performance, the Central Bank will decide if it's fruitful to approve more digital banks or not (n.d., 2023). Hence, this can bring a new beginning to digital economy of Digital Bangladesh.

## **2.2 Overview of the Company**

The company has 15 divisions including its digital bank under it. Under every division there are multiple departments to ensure smooth operation throughout the company. Such as, MarCom, MarTech, Campaign Management etc. departments under Marketing division. The divisions are enlisted below, and their task will be explained in an upcoming section.



*Figure 1 Divisions of Nagad Ltd*

Firstly, the task of the Business Assurance department is to ensure that several requirements of businesses are met or not. Such as providing customer services, doing internal audits. Secondly, the Business Support division works for the betterment of the supplies and inventory management inside of the organization. Moreover, this division is also assigned for the beautification tasks of the office. Thirdly, the Commercial division is directly responsible for sales and sales-related activities and creating liaison with the different stakeholders. Next, the

External Affairs division is responsible for looking after the concerns regarding the external business world and ensuring the company a safe and secure position among its rivals. Furthermore, the Finance department works on financial related issues, approves compensation disbursements and so on. Next, the Human Resources division is responsible for recruiting, employer branding, compensation, database management, insurance, exit procedure and employee welfare.

Then, the Marketing department does look after the PR activities and other communications, campaign planning, combining marketing with technology and e-commerce activities. Up next comes the Media and Communications division who is related to communicating with other stakeholders and partners for better reach of the company. However, the Strategic Alliance and Investment division is responsible for looking into the matter of researching and generating the most profitable investment outcome plans for the company. Next, Strategic Relations and LEA Operations are entitled to investigate the legal matters and maintain liaison with regulatory bodies. Nevertheless, the most important division of this company is Technology which continuously works for the betterment of user experience, smooth operation of the application, detecting and mitigating fraudulent activities and internal IT supports.

However, the management division only consists of the top managements such as Executive Directors, Managing Director etc. They are basically responsible for strategy making portions and approving plans from execution teams based on their research. Next, the Nagad Islamic division looks after the Islamic portion of the app which is kept away from mixing with interest money. This division has its own strategy to gain consumer attention from this segment. Lastly, Nagad Finance used to be considered as a division of Nagad Ltd before getting the license for digital bank. This division will now solely be dedicated for the digital bank project and after

complete recruitment and strategic development of this portion, it might be considered as a different entity which will be a sister organization of Nagad Ltd.

## **2.3 Management Practices**

### **2.3.1 Leadership Practices**

Nagad has participative leadership practice throughout the organization. For different types of agenda, the leaders of the organization always try to have a meeting with their team and cross-functional teams as well for better outputs. In this case, the most junior ones, even the interns are also encouraged to take part in the discussion and have their opinions. Participative leadership is seen in many aspects of this organization. Such as –

- **Strategic Planning:** Usually, the top management and required cross functional teams discuss critical strategic planning. Such as, for determining the project strategies of Digital Bank, the top management including CXOs, EDs, MD and some HR personnels had the meeting. For confidentiality issues, juniors are not included in such kind of critical meetings. However, when there are team meetings for a particular division or department, everyone is encouraged to take part and respond with their valuable insights.
- **Decision Making:** Just like strategic planning, decision making process is also participatory in this organization. To have timely and effective and efficient decisions, the leaders follow a structured way for decision making. They value everyone's opinions and so feedback is taken from every team member and upon finding any noteworthy one, they consider including that in their decision-making process.

- **Performance Management:** Since the leadership style is participative, the employees have more job satisfaction and the tasks they are often assigned come from their generated ideas. Consequently, they feel valued and become eager to work on their own ideas. Hence, very few of the employees cannot fulfill their targets and fall under PIP.

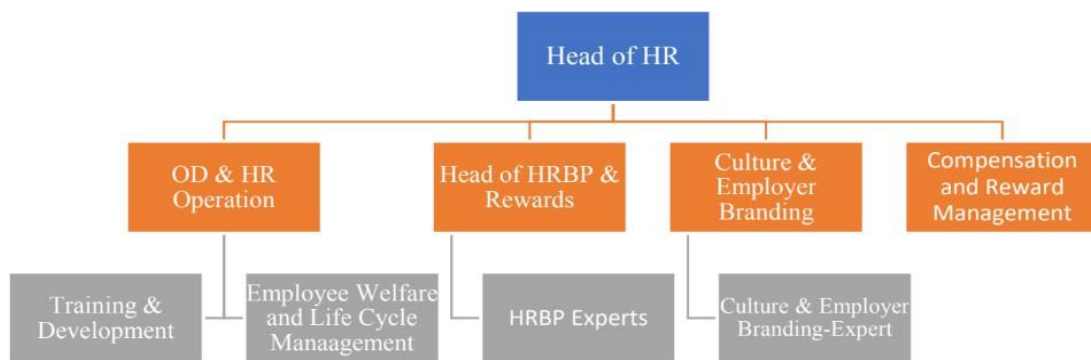
In my opinion, the participative leadership has been very fruitful for this organization as it is helping the company grow in a faster manner through its high performance. While doing this teamwork, employees feel important and so become more motivated to contribute to the organization. In fact, it increases communication resulting in more transparency and increased employee morale. Additionally, it reduces the barriers by guiding the employees as per their own proposed idea. As an instance of participative leadership, the company offers the talented individuals, better positions. These people are who take part in the decision-making process and can provide effective and efficient solutions or ideas. Such as promoting Area Managers to Regional Sales Manager.

In addition to that, for a startup organization like Nagad, it is supposed to be the best practice for leadership. Because to achieve more market share in a lesser time and to be the number one MFS of country they need to utilize their all kinds of resources at their best. Participative leadership can ensure the best usage of human resources and their skills.

Therefore, I think that participative leadership has been proved very effective for startup companies as for Nagad. However, for critical decisions the company can limit the meeting participants to the top management for confidentiality issues. Other than that, this practice can be continued even after several years of business.

### 2.3.2 HR Planning Process

The HR Planning Process of this organization is very crucial to its success and so the whole division is divided into 4 teams namely Human Resources Business Partner, Culture and Employer Branding, Organizational Development and HR Operations, and Compensation and Reward Management. The Organogram for this division is depicted below –



*Figure 2: Organogram of HR Division*

Here, the HRBP team is responsible for the whole recruitment and selection process. Moreover, they also work as the communication point for all employees about their queries. Secondly, Culture and Employer Branding works on maintaining liaison with different companies and sign MoU with them for employee benefits. Moreover, they also plan and launch campaigns for employees to keep them motivated. Thirdly, the OD and HR Operations team looks after the employee welfare, database management, insurance policy and provides proper claims, onboarding process etc. Lastly, the Compensation and Reward Management team is accountable



for salary and incentive disbursement for the whole organization. However, other HR issue brief is given below –

- **Recruitment and Selection Process:** The recruitment and selection process have multiple steps and it's a long one. It takes almost 30 days to complete the recruitment and selection process for one position, but it differs from position to position. For contractual positions, it usually does not take more than 7 days to complete the whole process. The process is shown in the diagram below –

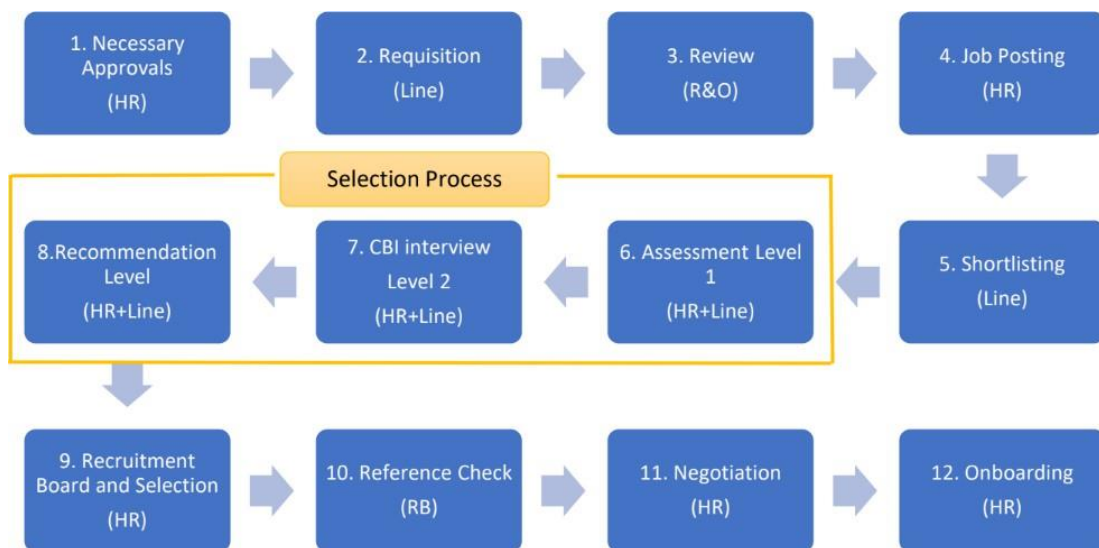


Figure 3: Recruitment & Selection Process

From the figure, it is quite visible that the recruitment and selection process is quite lengthy, and it has many steps but all of them are important ones and need to be there for the betterment of the company.

Firstly, the HR must get necessary approvals from the required function and then issue a recruitment requisition form with a detailed job description. Upon getting reviewed and approved by the top management, HR starts doing the job post mostly through its LinkedIn page. After getting applications from the candidates, the CVs are sent to the line for shortlisting. Then the shortlisted candidates are communicated to attend the written assessment and upon selection, the first level interview with Head of Departments and HR. Next, the shortlisted candidates are sent for final level interview with CXO and EDs and HR compensation specialists. After that, the selected candidate's background is checked for further processing and negotiation of the compensation package is done as per his qualifications and previous experience and compensation package. Finally, after offer acceptance the employee is onboarded.

- **Compensation System:** The compensation package of Nagad consists of basic salary, festival bonus, conveyance or car and fuel allowance, performance bonus, key performance incentive. The sales team here gets a monthly incentive for their performance. However, other teams get the incentive based on the company performance on a quarterly basis. Nevertheless, the employees on probation do not get the incentive until their performance is reviewed and they are made permanent. In addition, for employee wellbeing and their work life balance they are given casual leave and sick leaves as per Bangladesh Labor Law. Moreover, to increase employee engagement, employees are given half a day's leave on their birthdays so that they can celebrate it with their family as well. Furthermore, the company allows paid maternity to leave of 6

months to mothers and an insurance package is given to cover the whole cost including doctor visits. In fact, the employees are compensated in case of accident and health emergency through insurance claims.

In addition, there are 20 job grades to decide the compensation amount for the employees ranging from 1A, 1B to 10A, 10B. The contractual employees and interns are entitled to a fixed amount of monthly compensation as per the contract. However, they do not get any other entitlements or compensatory benefits.

- **Training and Development Initiatives:** The training and development team is accountable for arranging training sessions as per internal requirements. The training can be for everyone in general such as “ABCs of Mobile Financial Services”. This one is for every employee ranging from contractual, intern to permanent. However, there are some other training sessions which are role or division specific. Such as the training program for Area Managers and Regional Sales Managers named “Journey to Excellence”. Here, the training courses on which everyone is invited usually are soft skills ones and the other ones on which specific designation holder people are invited are the ones for improving functional qualifications of a person required for that job.



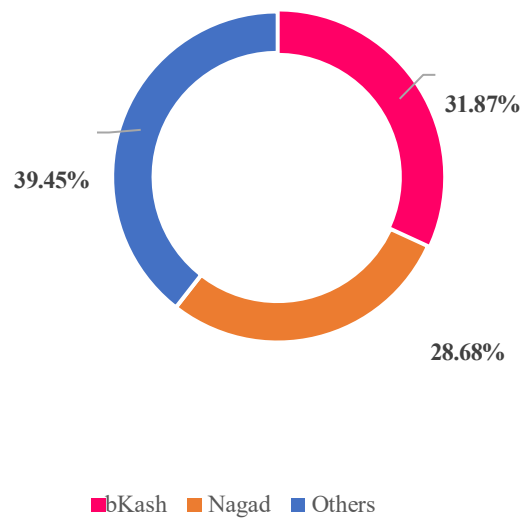
*Figure 4: Nagad Training Mapping*

- **Performance Appraisal System:** The performance appraisal system of Nagad is the responsibility of both the functional manager and the respected HRBP for that function. The initial performance appraisal form is issued by the line manager and sent to the HRBPs for the action plan. If the employee's performance is satisfactory, then he/she is entitled to get key performance incentives based on company performance and their individual performance. On the other hand, if the employee's performance is unsatisfactory, a PIP is set up for him to improve his performance. If the employee is under PIP two times in a quarter, he is not awarded KPI for that quarter. However, performance appraisal is usually done quarterly.

## **2.4 Marketing Practices**

### **2.4.1 Marketing Strategy**

The marketing strategy of Nagad has always been very competitive. Basically, they utilize the benefits of being a subsidiary of Bangladesh Post Office which helps them to reach more customer segments. Moreover, even after being launched 8 years later by their biggest rival bKash, they are doing great in terms of market share.



[Source: Website of Nagad and bKash and newspaper article]

*Figure 5: Market Share of MFSs*

The market share of the two rivals does not differ that much, which is the result of rigorous marketing strategies of Nagad. The company has made the famous faces of Bangladesh cricket

team as their ambassadors namely Shakib Al Hasan, Tamim Iqbal, Mushfiqur Rahim, Mehedi Hasan Miraz (n.d., 2023).

Moreover, involvement of cricketers with Nagad has been from a very long time and many campaign had been run with them. The most highlighted one was the BMW campaign where Tamim Iqbal himself went to the winner's place to deliver the car. However, the winner was from a needy family and was in search of job and so Nagad even offered the man a job in the company – which made the whole campaign even more hyped one.



*Figure 6: Brand ambassadors of Nagad*

In addition to this Nagad has an advantage in the public image of one of its Directors, Mr. Sulaiman Shukhon who is very much famous in Marketing sector and his strategies have always been successful ones for the company. More details on the marketing strategy will be unfolded in the upcoming sub-chapters.

## **2.4.2 Target Customers, Targeting and Positioning Strategy**

Nagad is more likely to target customers from rural areas as it has been introduced even in Upzilla level already back in 2021 (n.d., 2021). The company wants to cover as much population as possible and so they have two segments in their app. One is a normal Nagad app, which is for users from every walk of life and the user interface has been made very friendly for the consumers so that it can be accessible to more and more people. Another portion is the Nagad Islamic segment which is introduced for the religious people specially from the rural area. They claim that the transactions done through Nagad Islamic is not mixed with the mainstream app to protect it from interest. In this regard, the marketing is done in the Mahfils taking place in the mosques to gain more Islamic customers and make them aware of that the company has an option only dedicated for them.

Since inception, the company has made its positioning strategy very clear that they have the lowest cash out charge which is most beneficial to the consumers. Moreover, their fraud detection and mitigation methods are also very accurate which has kept the users away from the fear of insecurity. The company has also positioned itself as a native brand and has provided a great focus on that so that it is communicated with the consumers strongly. To clarify, the company's tag line is "Deshi Nagad e Beshi Lav", which means Nagad is a native company and doing transactions through it will be profitable for the consumers.

Therefore, the positioning strategy is very clear, which is showcasing the brand as a native one and shedding light on the lowest cash out charge.

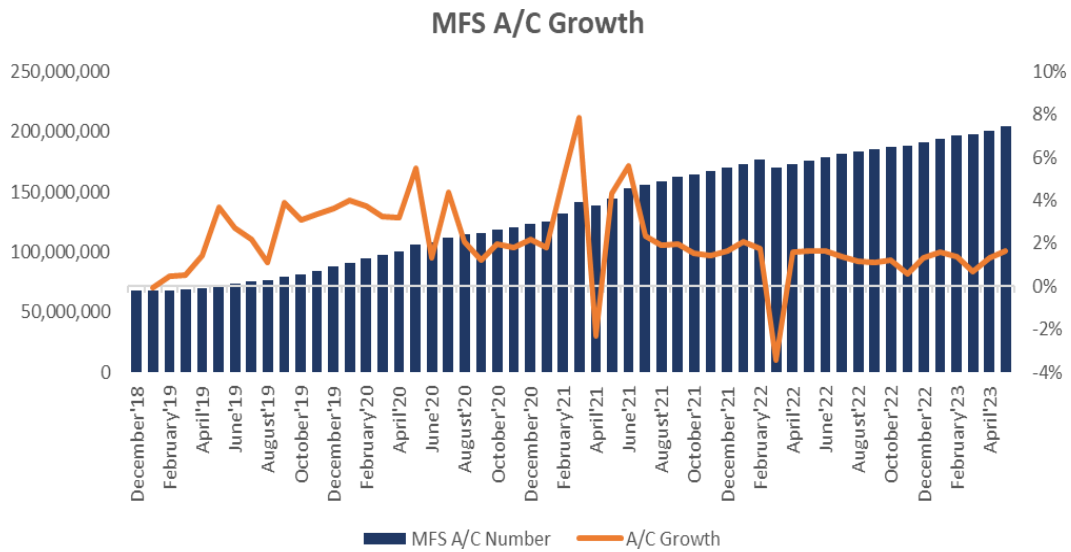
### 2.4.3 Marketing Channels

Nagad Ltd. Utilizes all 4 kinds of marketing channels namely paid, free, digital, and conventional. Description of these channels are given below –

- **Paid:** The paid channels of marketing for this company are mostly billboard, Television commercials, printed ads on newspaper, painted walls all over the country. Among all these, the billboard and print media ads are the most expensive ones. However, their reach is strong, which has increased users.
- **Free:** The free channels are most likely the social media channels, agent-based marketing, on the spot marketing, and Nagad's marketing campaigns. Surprisingly, the reach of these channels is more than the reach of paid ones. The most successful marketing channel of Nagad is its marketing campaigns.
- **Digital:** The digital channels of Nagad are mostly its social media advertising and television commercials. Social media advertising includes mainly Facebook and LinkedIn advertising. The impact of this is high as it helps to connect with the maximum audience. Because through social media young and educated people can be easily reached whereas television commercials can widely reach less educated, aged, and rural people. Consequently, almost all the population can be covered by these channels.
- **Conventional:** Conventional channels include billboards, print media ads, agent-based marketing. These methods of marketing have been used from a very ancient time and they have always been successful in catching the attention of the audience. However, these methods are also fruitful for Nagad.

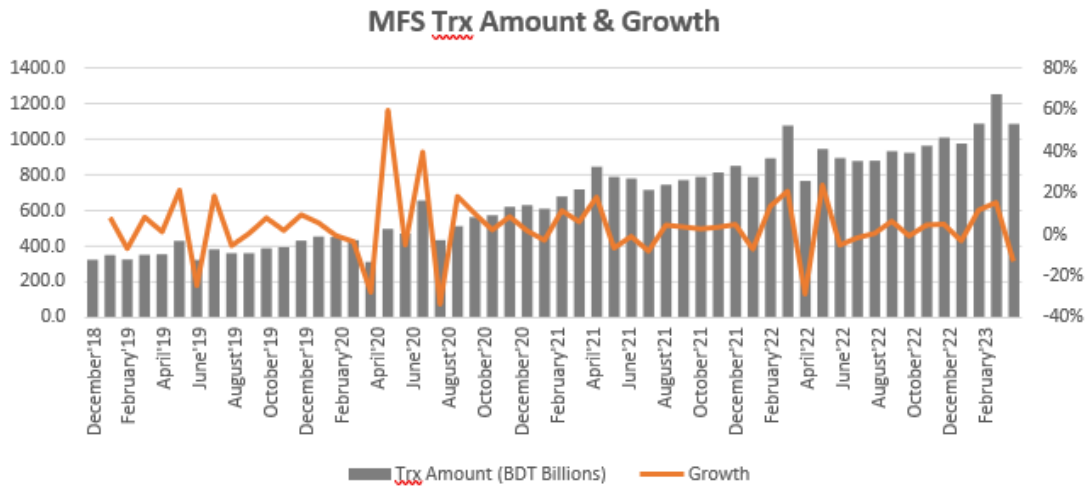


From the graphs below we will see that the MFS account and transaction growth has been tremendous over the years.



[Source: Statistics of Bangladesh Bank]

Figure 7: MFS Account Growth



[Source: Statistics of Bangladesh Bank]

Figure 8: Transaction Amount Growth

## 2.4.4 Service Development and Competitive Practices

Day by day the company is working on its service development processes. The usual features of all digital financial service providers are almost the same. They usually have the below mentioned ones -

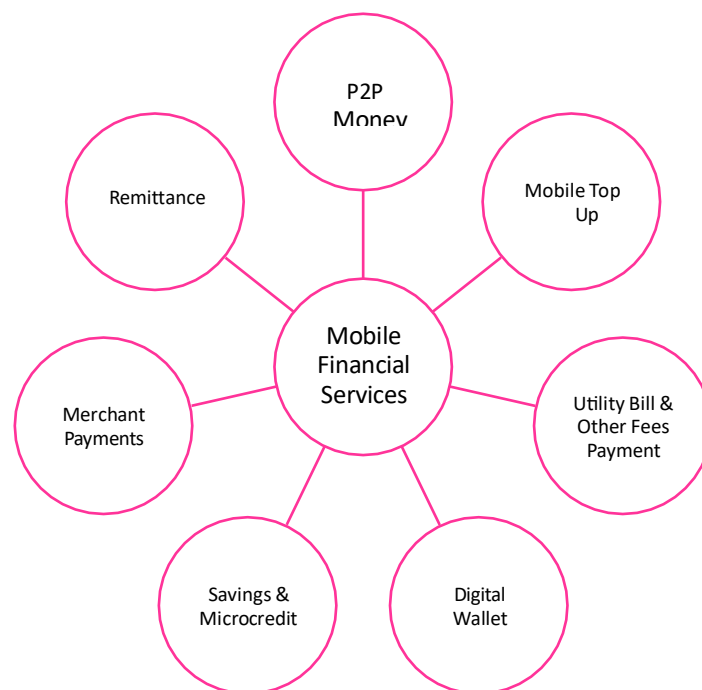


Figure 9: Features of Digital Financial Services

Apart from these Nagad has tried to introduce some other features such as Ticket Purchase, Jakat Calculator etc. The most significant difference of Nagad app from others is it has a portion in the app named Nagad Islamic. This one gives the company a great competitive edge.

However, day by day the company is trying to develop its service and as part of that they have introduced their digital bank which already got license from the central bank. The services and operations of the bank have not been communicated publicly yet, but it will be done very soon.

However, the digital bank is most likely helping the money transactions in between conventional banks through mobile app. Proper communication and marketing regarding this can help the company attain more users by showcasing itself as the most convenient and safe way of money transfer.

Therefore, till now the company is doing great in terms of the competitive practices against the key rivals and the indirect ones as well.

### **2.4.5 Branding Activities**

The company has undertaken several branding activities to have a great position among the consumers. Some of its branding initiatives are –

- **Name:** The name of the company has been changed to Nagad from Third Wave Technology Ltd to make it feel more native. The previous name did not seem to be creating an impact among the audience. However, the name Nagad sounds like a local one and it is very easy to pronounce which can help it set among the target audiences' minds.
- **Logo:** The logo of this brand is a very colorful one having a man inside it is symbolizing the post man representing the Post Office division of government. However, the logo has a very eye-catching color combination and a meaningful representation of the components. Undoubtedly, doing this establishes the brand as a strong one and creates a sense of being connected to the root of the country and nation.



*Figure 10: Nagad Logo*

- **Tagline:** The tagline of the company goes very well with its two major strategies. Firstly, making the audience perception of the company as a local and close to the heart one. Secondly, communicating its biggest marketing strategy of the lowest cash out charge. Combining these two, the company has come up with a tagline of “Deshi Nagad e Beshi Lav” meaning native Nagad is the most profitable one.
- **BMW and iPhone 15 Campaigns:** The company has been very successful in its marketing campaigns for the consumers. Its two most popular campaigns are the BMW campaign and iPhone 15 campaign where one lucky winner got the prize. This created a strong position for the brand among the customers.

#### **2.4.6 Advertising and Promotion Strategies**

The company has several means of running its advertisement and promotions. Some of them are described below –

- **Television Commercials:** The company has many different television commercials starring the known and famous faces of the showbiz world. Moreover, it has some

commercials starring some of the nation's favorite national team cricket players. The main aim is portraying the features and safeness of using this app.

- **Social Media and Digital Marketing:** In this era of digital marketing, every company carries out extensive social media marketing and so is Nagad doing. They have a great reach on social media, specifically on Facebook with small video clips of their advertisement. However, this segment of advertising is given comparatively less significance than others because the target customers of Nagad are most likely to watch television commercials. Yet to reach the young segment of the market, their social media presence is found.
- **Promotional Offers:** Nagad provides a lot of promotional offers including discounts, cashbacks, prizes etc. Notably, this strategy works a lot as it helps not only retain the existing customers but also attain some new ones. The very common promotional offers of the company are cashback on mobile recharge and a percentage discount on using food delivery app.
- **Agent based Strategy:** It is obvious that a service provider like Nagad has many agents placed even at the Upzilla (sub-district) level of the country. There are more than 35,000 agents all over the country assigned under the territory officers and managers. These agents are responsible for increasing the number of consumers by communicating the bright side of the app. This is one of the crucial and effective forms of promotion.
- **Others:** The other media of advertising and promotion are billboard advertising, painted walls, flyers, on spot marketing, print media marketing and so on. Basically, the company has tried to make sure of its presence in every medium of advertising even if it's in a very small range.

### **2.4.7 Critical Marketing Issues and Gaps**

The only critical marketing issue which I could identify is that the company has lesser presence in social media and digital marketing sector. Therefore, I think in this modern era it would be better for the company to create a stronger existence there. Moreover, the world of digital marketing has already been proved to be a very useful one. Hence, utilizing it can make the company a profitable one.

### **2.5 Financial Performance and Accounting Practices**

The company Nagad is not a publicly enlisted company and so their accounting and financial reports are kept confidential. Not only the numerical values but also the methods are highly confidential and so it is not possible to conduct any financial or accounting analysis for this company.

Since, the company is a start up one, it yet has not reached the break even point. In fact, the company has an accumulated loss of 625 crore which was stated in their memorandum of bond issuance. The company has issued bonds which are unsecured, and the buyers will be able to convert them after 5 years. However, the company is hopeful that they will be able to start making profit from 2025.

It has been publicly shared that Bangladesh Post Office division owns 51% shares of this company and the partnership is currently based on revenue sharing. However, the basis of revenue sharing and the amount of that has not been disclosed.

Despite incurring a big amount of loss, the company has been one of the highest taxpayers for 3 consecutive years including 2023. Moreover, the company has earned fastest to unicorn title which means they have achieved a billion dollars brand value within the shortest span of time.

To conclude, information in this regard has been kept highly confidential. However, the stated ones are derived from secondary sources such as news articles.

## **2.6 Operations Management and Information System Practices**

### **2.6.1 The Use of Information Systems**

The company has its own policies and procedures for collecting, storing, processing, and sharing the data with stakeholders. The details are discussed below –

- **Collecting:** The data collection process of Nagad is always preferred to be firsthand. From employee background checking to their compensation on previous company, is collected on primary data collection basis. Because the company focuses on data collection accuracy most. Consequently, they tend to do it by themselves other than relying on any third party or outsider for this work.
- **Storing:** After collecting the data, the priority of the company becomes storing it in a feasible and sustainable way. As a result, the company has its own database and a team dedicated to maintaining it. However, Nagad is very concerned about not losing the data they have collected and so wherever it is possible and convenient, they create hard copies of that data alongside the soft ones. Such as, employee information file – they have one

dedicated place with cabinets to store all their employee files either be running employee or be exit employee.

- **Processing:** Though the data is collected from primary sources, the company usually does cross checking before labeling it as an accurate one. Hence, they communicate with the sources who can validate the data collected. If the collected data seems to be suspicious, the company again runs its efforts to recollect those data from another primary source. Usually collected data is processed within 15 days lead time.
- **Sharing:** Nagad is particularly sensitive about sharing its data due to confidentiality issues. They share their data with stakeholders only limited to that much amount which is required. Such as, they have issued an HR Newsletter which has two versions. One is normal and accessible to everyone and the other one contains numerical values, analysis and confidential data which is accessible only to the top management.

## 2.6.2 Office Management Software

The office management software and database of Nagad is “Nagad ERP Solutions.” This ERP is essential for day-to-day operations of the company. With this database system they can maintain their quality of management, scheduling, resource allocation, and operations management.

- **Quality of Management:** The quality of management can be ensured through their ERP Solution. Such as, the line manager can see the attendance and adherence of his/her teammates. Moreover, KPI and monthly leave can be tracked from this database. In addition, it is easier for the line manager to keep up with the total leave taken for every



category of that employee. Consequently, while approving the leave, he does not have to keep manual track and the possibilities of errors also reduce. Even the Payroll Master option is there to help the management with necessary information. Hence, quality of management becomes better as less error and more tracking with convenience is possible through this system.

- **Scheduling:** With the help of ERP, a person can apply for a NOC for a leave taken outside of the country scheduled for any future date. Moreover, the company uses Microsoft Outlook for its official emailing purposes. In Microsoft Outlook, there is a Calendar option through which it is possible to see the busy time anyone within the organization. As per that schedule, a person can plan meetings, interviews, and discussion sessions. Moreover, the meeting rooms can also be booked through this system which helps to book the rooms with smoothness without any contradiction and chaos.
- **Resource Allocation:** Resource allocation has become the easiest thing to do because of ERP. Any employee can request business support they need through the ERP and this support includes facilities, vehicles, consumable goods, and services. The employee just needs to place his/her request, mention by when it is needed, the place where it needs to be delivered and the quantity of requirement. They can even add remarks and comments if anything special is required. Moreover, the employees can provide their feedback on the products. Upon being approved the request, the resources are delivered to the asked locations.
- **Operations Management:** Since the organization is a service provider, their operations management includes organizing and keeping proper track of human resources. The ERP database system has a very big, dedicated portion for the human resources of this

organization. All of their data is being stored in the system database, HR dashboard and hard copy files for maintaining proper documentation and need for action.

More details on the ERP system and database will be provided in Chapter 3.

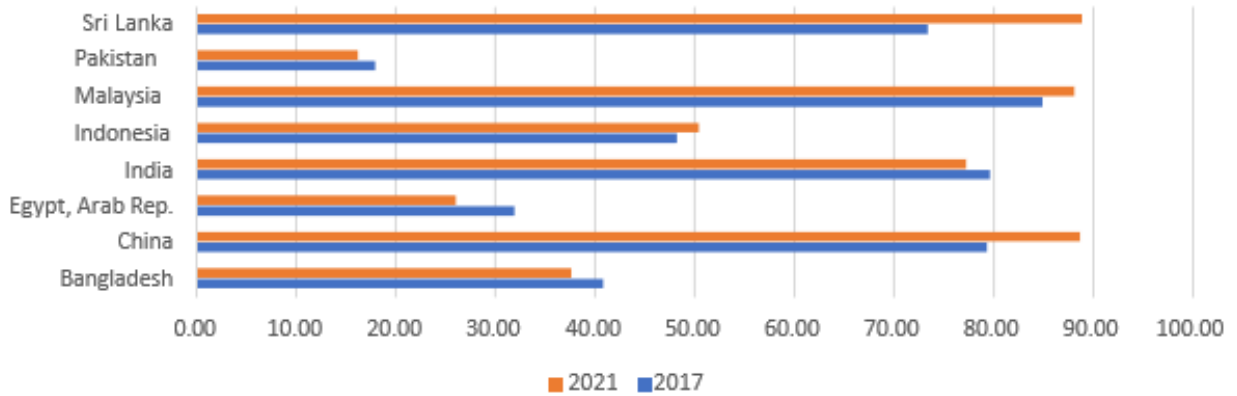
## **2.7 Industry and Competitive Analysis**

### **2.7.1 Porter's Five Forces Analysis**

Porter's five forces can help analyze a company's competitive landscape through its five distinctive factors. Details on the factors is discussed below –

- **Threat of New Entrants:** With the growing success of the Fintech industry, the threat of new entrants is high. For example, the newest inclusion in Mobile Financial Service is of Bashundhara group who launched “Pocket” in very recent times. However, gaining market share can be very tough for the new entrants as monetary service is a very sensitive one and people use them only once they are proven to be safe. In addition, a greater threat of new entrant is identified in terms of digital bank because already 52 companies have applied for the approval of their digital bank including bKash's DigiTen.
- **Threat of Substitutes:** The substitutes for MFS are conventional banks, ATM cards, credit cards, internet banking apps etc. Though the substitute services are very strong and credible ones, people are now tending to use Mobile Financial Services for their day-to-day life because of their ease of use. The below illustrations can explain the difference –

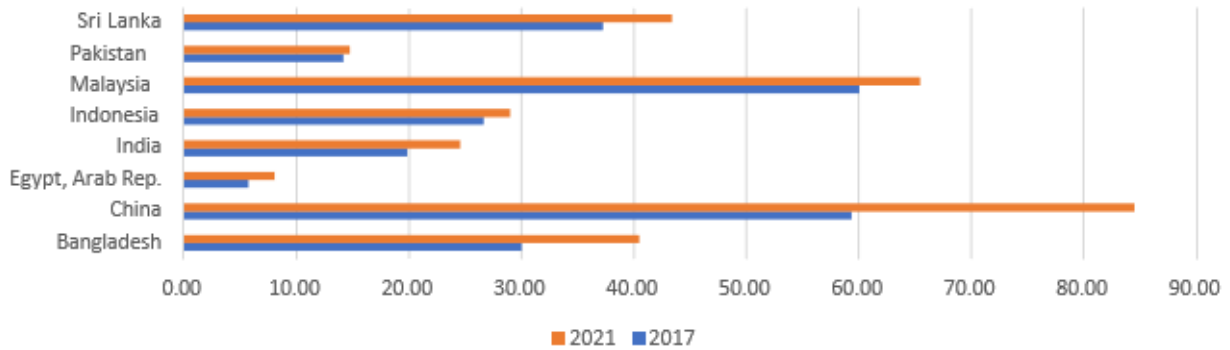
### Account at a Formal Financial Institution (% of age 15+) in 2021



[Source: Global Findex, World Bank]

Figure 11: Formal Financial Institution Account of Developing Countries

### Used Electronic Payments to Pay for Goods/Services (% of age 15+)



[Source: Global Findex, World Bank]

Figure 12: Electronic Payment System Usage in Developing Countries

These statistics show that the usage of the substitute services is reducing and so this threat has a very low impact.

- **Competitive Rivalry:** The competitive rivalry is very high for Nagad. As the company was launched a couple of years ago, the previously well-established companies are performing better. Such as Rocket, bKash. However, Nagad's performance is also praiseworthy because even after being such a new company, they are being able to give such a tough competition to their rivals. Nagad's diversified features and lowest cash out charge gives it a great competitive advantage amongst its rivals.
- **Buyer's Bargaining Power:** Though buyer's bargaining power is high for this industry, it is less likely to be applicable for Nagad. Because Nagad has the lowest usage charge within this industry and so they are in an advantageous situation for this. However, an increase in the number of competitors and users can end up giving more negotiation power to the users. As a result, the company always needs to be conscious of the market situation and its strategy.
- **Supplier's Bargaining Power:** Fortunately, the company does not have to face this one that much for being a subsidiary of Bangladesh Post Office. Consequently, they are being assisted by their parents for the needful supplier support.

After analyzing the Porter's Five Forces, it has been found that the company is doing great in terms of maximum forces as they are handling their business tactfully.

## 2.7.2 SWOT Analysis

The SWOT Analysis of a company helps to analyze its internal and external competitive status by examining its strengths, weaknesses, opportunities, and threats. Internal condition is determined through strengths and weaknesses whereas external condition is evaluated by opportunities and threats.

**Strengths:** The strengths of this company are –

- Firstly, it has the lowest cash out charge.
- Secondly, it has a well-established organizational structure.
- Thirdly, its technological infrastructure is well built.
- Moreover, it has more transaction limits.
- In addition, it is supported by Bangladesh Post Office Ministry.
- Lastly, it can ensure faster service than most other its key rivals.

**Weakness:** The weaknesses of this company are –

- Firstly, it has a comparatively weaker network system.
- Secondly, its agents and merchants are not available countrywide.
- Thirdly, its payment system is also not available for maximum companies.
- Additionally, it has lesser presence in social media and digital marketing.
- Lastly, they do not have any career page.

**Opportunities:** The opportunities that Nagad can have in the market are –

- Firstly, it has been able to attract rural and underprivileged populations.
- Secondly, their security system is great, which is helping them to gain more market share.

- Thirdly, they utilize blockchain technology to maintain their security wall which helps them attract more users.
- Moreover, the technological infrastructure of the company is so appealing that it is drawing the attention of many talented individuals to join the company.

**Threats:** The threats that Nagad can have in the market are –

- First and foremost, threat is, number of competitors is increasing rapidly.
- Secondly, the company’s one version “Nagad Islamic” is not widely advertised and so people do not know about it that much. Consequently, another competitor might copy it and communicate it to the audience resulting in better reach for that company.
- Thirdly, Nagad’s ecommerce payment system is not widely available whereas the competitors’ ones are available.
- Lastly, the digital bank needs to be well established within 6 months before the other 52 banks get approval and start operating. Hence, it can create added pressure to the company.

### **2.7.3 Competitive Analysis**

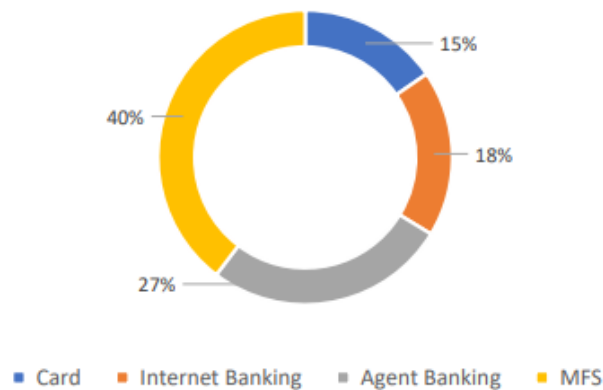
Among the strengths of the company some of them are common, some are distinctive, some are imitable, and some give the company competitive advantage.

Firstly, some of the common strengths of this company are its strong appearance in the Mobile Financial Service Industry. Moreover, the necessary features present on it are found in almost all the apps. Additionally, its wide advertising has helped it to gain a huge market share like some of

its key rival companies. Lastly, Nagad also has two options for using it, one is – code dialing interface and the other one is app.

From the figure below we can see, MFS industry is in an advantageous situation than its substitute rivals –

Digital Transactions Market Share (May 2023)



[Source: Statistics, Bangladesh Bank]

Figure 13: Digital Transactions through Different Media

Secondly, some distinctive strengths of this company are its lowest cash out charge. Moreover, being part of Bangladesh Post Office also gives it advantage in the market. In addition, the company has lifetime ambassadorship contract with many key persons including Tamim Iqbal, a cricketeer of Bangladesh National Team. Lastly, the company has got approval for its digital bank as the country's very first one.

Next, the imitable strength of this company is its cash out charge. Upon having thorough research, the rival companies can find ways and can reduce their cash out charge to give Nagad

fierce competition. Moreover, it is also possible for other companies to convince key personnels to enter lifetime contracts with them.

Lastly, the strength that gives the company ultimate competitive advantage is being its digital bank started operating as the very first company. In addition, being a subsidiary of Bangladesh Post Office also gives it a sustainable competitive advantage.

## **2.8 Summary and Conclusions**

To sum up, Nagad has been doing great in terms of its market performance, management practices, business plans and policy and procedures. Being comparatively a newer MFS, the market share they have and the strategy they are following is commendable. Though they have some weaknesses, they can be overcome with the span of time. Nevertheless, improving day by day is essential for the company to stay in the market as well. Undoubtedly, the company is doing great in terms of that.

## **2.9 Recommendations**

Some of the recommendations for the company are –

- Firstly, they can enhance their social media presence and improve their digital marketing strategy.
- Secondly, they can improve their talent acquisition process by setting a lower lead time for a particular recruitment.



- Thirdly, introducing a career page can help them attract more talented individuals.
- In addition, they can increase their number of merchants and agents.
- Moreover, they can enter into contracts with companies to enable their ecommerce payment systems widely.
- Furthermore, it can work on improving its network system.
- Lastly, they can promote their other options like “Nagad Islamic” in a rigorous manner.

## **Chapter 3: An Overview of an ERP system in the Context of an MFS**

### **(Nagad Ltd.)**

#### **3.1 Introduction**

The ERP system of Nagad Ltd is one of its key elements which is needed for its day-to-day operation. From allocating the resource to keep track of inventory and all kinds of record of an employee, it is required everywhere.

ERP in general is a software or an information system which keeps track of all required resources of that organization (Klaus et al., 2000). Since past many years, the ERP system has been one of the essentials to run an organization smoothly in terms of everything ranging from management to marketing to accounting to finance (Beheshti, 2006). Nowadays a company's competitiveness is also judged by the smart and smooth implementation of the ERP system. This system enables the key decision makers to do the needful in an appropriate and errorless manner (Harwood, 2017).

In the MFS industry, competition has surged in the last few years. Worldwide the fintech industry has been proven as a profitable one and so investment in this has increased (Goldstein et al., 2019). Extensive research on this field has proven that countries who want to have economic development in a fast manner are tending to follow the current trend of cashless economy leading to birth of many MFS worldwide (Schueffel, 2017). In the last couple of years even the developing countries have been trying to establish such a system in their country.

In Bangladesh, there are also several Mobile Financial Services, and they have a fierce competition in between them. As a result, they try to make their own operations smooth to make

their business profitable as well as creating a better image on management system will help them gain a great talent pool in their team. The ERP system of Nagad is known as Nagad ERP solutions and it has multiple options within it.

To begin with, it has an option to get a Note for Approval from top management for special circumstances. Moreover, it has a very big, dedicated option for HRIS named HRMS. This option helps the company to keep track of attendance and leave of employees, list of active, inactive employees and their whole details. In addition, it has an option of Remote Attendance, which is applicable for the employees working from home with permission for special reasons. Furthermore, the ERP system helps to keep track of upcoming onboarding employees and their details. In addition, a person can apply for leave through this system and will be notified of their unauthorized leaves which means leave taken without proper permission. However, more HR administrative works are done by this system such as employee exit formalities and approving NOC for leave taken outside of the country. Moreover, there is a KPI management tool that is also available in this system.

In fact, an employee can claim his/her insurance amount through this. Notably, this system has a Payroll Master which helps to calculate salary and tax for a person and a person can apply for his/her salary or tax certificate through this. Though the Payroll Master has some more options, they cannot be disclosed due to confidentiality issues.

Another important function of this system is inventory management system. There is an option in ERP named Business Support through which any employee can give request for their needed inventory and by providing their location and time needed by, they can get the requested inventory as per their requirements. However, a track is automatically kept for an employee's

past requisitions and the requests are also approved as per that. Nevertheless, the company can also create a list of items which become out of stock for its vendors and place orders as per that.

A further overview of this ERP system will be discussed in the upcoming sections namely literature review, objectives, significance, methodology, analysis and findings, summary and conclusions, and recommendations.

### **3.1.1 Literature Review**

In recent years, ERP systems have been found in almost every organization – be it an MNC, be it an industrial establishment, be it a factory or be it an SME. The fact that has motivated most organizations to implement this is the ease of conducting business through it (Ranjan et al., 2016). Even small businesses have created this system to have a competitive edge on their business. Basically, having an ERP system helps an organization determine its performance, have efficient control on internal control environment, assist in inventory management and a good management practice (Sheu et al., 2004).

However, critical issues may arise throughout the organization for implementation of such a system because it brings a massive change for the company's betterment (Bingi et al., 2006). Moreover, it can be expensive and challenging and so before its implementation employee literacy and extensive assessment of the system's probability of success needs to be done (Ranjan et al., 2016). Notably, it must be kept in mind that implementing such a system requires multi-disciplinary teams and coordination in between such teams is also a critical success factor (Harwood, 2017).

It is to be noted that the top management of the company are mostly responsible for its strategy making and keeping a track of if it is being executed properly. With the help of ERP system in an organization, it becomes easier for a company to establish commendable and transparent management system (Klaus et al., 2000). Moreover, timely and accurate information about execution committee is also easily accessible to top management through such a system (Beheshti, 2006).

Nevertheless, a company must face severe complexity and challenges to have proper internal control, especially the startups. Undoubtedly, an ERP system can work in its favor in such situations as it becomes one click away to access any information and act if any discrepancy is found (Harwood, 2017). There have been revolutionary changes after the introduction of ERP systems in the field of internal control environments and internal audit requirements (Spathis & Constantinides, 2003). After there have been popular scandals on financial terms, it has become mandatory for the companies to maintain their internal control effectively. Consequently, adding control criteria on the ERP system is an easy and wise solution for the companies (Chang et al., 2014).

Undoubtedly, companies are deriving countless benefits from establishing ERP system. Nowadays, the organizations are either highly automated industries or highly technology dependent ones. As a result, integrating such a system helps the organizations access the real time data and take necessary actions as per that (Spathis & Constantinides, 2003). No wonder that it aids communication development, information accuracy and accessibility, and alignment throughout the whole organization (Klaus et al., 2000). Moreover, beautifully crafted ERP systems increase transparency and usage of Information System in every field of the company (Klaus et al., 2000). Notably, it also increases investments as stakeholders, clients and investors

become more pleased with the whole system as the transparency and working and planning pattern of the organization becomes visible to them (Beheshti, 2006).

It is a matter of sorrow that, irrespective of the organizations – most of them have suffered from extensive challenges while introducing this kind of system in their establishment (Harwood, 2017). The concept of the integration of information technology to have better internal control used to be a vague one even a few years ago (Chang et al., 2014). Especially the change resistant mindset of the employees has given the companies a very hard time to adjust with the whole system (Sheu et al., 2004). However, reengineering the whole system and training the employees properly has been proven helpful in this regard (Bingi et al., 2006). Moreover, such critical issues can also be solved with the help of open discussions about previous success factors of this system (Ranjan et al., 2016). Nevertheless, such perspectives of inclusion can bring solutions to the company within less effort and time (Beheshti, 2006).

### **3.1.2 Objectives**

The objective of this chapter is to determine the following aspects by taking Nagad Ltd. as the context –

- Determining the factors motivating the company to adopt ERP.
- Highlighting the roles of ERP on implementation of effective internal control.
- Focusing on the benefits derived from adopting the ERP on management process.
- Determining substantial benefits, the company achieved from implementing the ERP.
- Finding out the challenges of implementing the ERP and ways to overcome it.

### **3.1.3 Significance**

The significances of this study are listed below –

- Firstly, it will help the organizations understand the importance of having an ERP.
- Secondly, it can show the startups a path of implementing such a system from scratch.
- Thirdly, it depicts the questions which organizations should be considering before starting any such kind of system.
- Moreover, it will show a pathway of overcoming the challenges and continuing the system.
- Lastly, this paper can contribute to further case studies of any such organization in future.

### **3.2 Methodology**

The report is made based on the primary data collected from Nagad Ltd. The data collection method is interviewing knowledgeable persons regarding the ERP system. Multiple sessions of interviews have been conducted with three key personnel namely Mr. Mahmudul Hasan Bhuiyan (Head of Organizational Development & HR Operations), Mr. Md. Mahmudul Hasan (Head of HRBP & Rewards), and Mr. Bishal Roy (Executive – HR Operations). Notably, opinions have been taken from all of them to answer every research questions. However, collected primary data has been backed up by secondary data present in literatures. The literature taken into consideration is derived from credible sources only.

### **3.3 Findings and Analysis**

The analysis of this section will try to attain findings for the research objectives. Further analysis will be done in five parts for five distinctive research objectives.

#### **3.3.1 Motivations for Adopting ERP**

From the interview data I have found out that having an ERP system is very important for the fintech industry. The main objectives behind this are following the defined strategies and having a database management system assist on achieving that objective. Moreover, it helps the company to establish a better brand value and maximize profitability of the company.

However, for attaining better results in terms of resource allocation the companies need to have better control over resource allocation. In this regard, my interview findings claims that one of the big reasons of establishing ERP system is keeping proper track and information of human resources. Moreover, creating system infrastructure is also one of the vital reasons for establishing ERP system. In addition to that, the company reached the conclusion that easier asset and inventory management will become possible because of implementing the system.

Additionally, extensive research conducted by the company has shown that it is likely to increase a company's profitability because of implementing the ERP system. Moreover, it increases company goodwill as well. As a result, it increases the company's brand value in its local market and to a global standard as well.



Nevertheless, the interview has also revealed that the company's value chain management can be effectively and efficiently done through the implementation of the ERP system. The reasons behind this are it makes the company database software a user friendly one. Everything, even the company transactions, also can be done through this system, which makes everyone's task easier. Moreover, it helps to build better strategies for the company. Consequently, this increases the company's chances of sustaining itself in the market in a better manner.

Therefore, key takeaways from this analysis are the facts that motivated the company to build its own ERP system are making own defined strategies, creating brand value, and maximizing the profit of the organization.

### **3.3.2 ERP's Role on Implementing Effective Internal Control**

From the analysis of the interview conducted, I have found that ERP has a great role in ensuring effective internal control. As it helps the company to do error free execution, its objective fulfillment becomes easier and smooth. Moreover, it helps to reduce financial loss of the company as error is creates a big wastage cost for a company. In addition, it helps to keep track of market demand and respond to customer demand in a timely manner through proper internal resource utilization.

It is a matter of fact that service-oriented companies are always concerned about their output because they have almost no options to rectify if any mistake occurs. Because for service-oriented companies the outputs are directly served to their customers and unlike product-based companies they are unable to detect any discrepancies before serving them to customers. Hence,

having such a system helps a company generate the most accurate output possible and establishes an internal control environment.

Through the ERP system of Nagad Ltd financial and accounting internal control is also implemented. The employees can claim the expense and advance on the exact amount after getting budget approval from the Finance division. Moreover, a financial workshop has been done to educate the employees about these features and the seniors who are on approval level are also trained in this matter.

As mentioned earlier, the ERP system also has an important role in asset purchasing. They keep track of all the inventory and all kinds of assets the company owns. However, without proper checking this whole inventory management system can lapse and so internal control environment. Therefore, in order to have effective internal control the company needs to maintain every value chain, which becomes easier because of an ERP system.

Hence, the key findings from this portion of the analysis are implementing ERP system helps error free execution, reduce financial loss and fulfill objectives in a timely manner which ultimately leads to effective internal control system.

### **3.3.3 Benefits of ERP on Management Process**

The most important role of the ERP system in the management process is its instrumental role on data driven decision making. Moreover, the ERP system also helps data become more available. For taking data driven decision, data needs to be available in accurate and adequate form for the decision makers. Notably, one of the key features of Nagad ERP Solutions is making necessary

data available to top management. Since the time it was introduced, their decision making has become error free, convenient, and feasible.

For example, for the operational purposes the management needs to have visibility of day-to-day data. With this system they can keep track of information such as the daily attendance of employees. Even the sale or profit amount can also be determined. Hence, profitability and goodwill of the company also increases.

One of the important policies which is strictly maintained throughout the organization is their “Attendance & Adherence Policy”. According to this policy, attendance refers to the employee’s entry time needs to be within 10 am otherwise late status will be shown beside his/her name. However, whenever the employee’s entry time is, to get the full compensation of the month, the employee needs to fulfill 9 hours of daily office – which is known as adherence. If an employee does not maintain adherence for more than two days, he/she is answerable to the management. Implementation of this policy has become easier and effective due to keeping track of it through the ERP system.

To summarize, this section depicts that ERP has made the management process easier by making data available and by helping the management make data driven decisions.

### **3.3.4 Substantial Benefits for Implementing ERP**

The benefits acquired by the ERP system is numerous such as employee survey, flexibility, digitalization, efficient operation, decision making etc.

To describe, employee statistics is easily accessible through the ERP system. The whole employment base statistics on several aspects is available on the system either be permanent or be contractual. However, this system has ensured flexibility throughout the organization. One example can be NOC management through this system. The employee can request for the NOC with one tap on the ERP system. Upon validating within less than a minute, the NOC is approved. Here, flexibility has been found that too in a timely manner.

Additionally, digitalization all over the company has occurred. In fact, efficient operation and decision-making benefit is also derived from this. Even productivity is increased for having more visibility and scalability. Notably, standardized data system also helps to maintain the compliance support lawfully. Nevertheless, real time reporting with customizable option also enhances the possibility of organized workflows.

To conclude, the benefits derived from ERP system are uncountable, yet the main ones are flexibility, efficiency in operation and digitalization.

### **3.3.5 Challenges and Ways of Overcoming Them**

As the benefits are many and so as the challenges. The first and foremost challenge the company faces is educating the employees and getting them used to the whole process. To solve this problem, the company had arranged training sessions with its employees and made them understand how integrating with this system can make their job easier.

Secondly, even the big firms also suffer from software bugs in their system and so as Nagad faces. However, this technological issue cannot be mitigated fully but the company is working its

best to reduce this through a continuous reconciliation process. Thirdly, user expectations also sometimes do not match with the reality which can be solved by increasing awareness to the root level.

One important challenge is the country law manual does not have any direction regarding this. However, the company is trying to negotiate with its regulatory stakeholders to have proper guidance in this regard.

Nevertheless, the ERP system does not have direct confirmation from the probation system and transfer letters can be issued from it directly. To solve this problem, the dedicated team for it can plan and launch these systems for everyone's ease of work. Moreover, the unauthorized leave option also needs manual interruption otherwise some employees do not get notified for it. According to the company policy the employees are entitled to get half a day's leave on their birthdays, but this option is yet to be available in the ERP system. Lastly, auto mapping options are also not available. These problems can be solved with the help of the expert tech team of the organization.

Hence, the key findings are employee education, expert tech team assistance and proper reconciliation techniques can help the organization overcome the challenges related to their database system.

### **3.4 Summary and Conclusions**

To sum up, an ERP system can help a company in many ways ranging from taking proper management decisions to ensuring appropriate internal control environment. However, the ERP

system needs to be updated in a timely manner and as per the need requirements of the company. The company may face challenges while introducing such system but proper guidance from an expert and knowledgeable team can help mitigate this challenge. Nevertheless, database management also requires a continuous evaluation system and effort from a dedicated team. Notably, when a company has its own database management system, its goodwill, brand value and employer branding image.

### **3.5 Recommendations**

The following issues can be addressed as recommendations for the company –

- Firstly, a continuous reconciliation process is needed to remove discrepancies between the system database and other dashboards.
- Secondly, the options which sometimes do not work properly need to be evaluated on a regular basis and the reason for error needs to be solved.
- Thirdly, options which can ease the operations on a regular basis can be introduced upon discussion and planning.
- Lastly, coordination between the teams operating these systems can be strengthened.

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