INTERNERSHIP REPORT ON PAYEMENT AUTOMATION WITH HSBC FOR
ROBI AXIATA LIMITED

Prepared for:-
Ms. Syeda Shaharbanu Shahbazi
Senior Lecturer
BRAC Business School
BRAC University

Prepared by
Appu Gammahelage Upeksha Subodhanee Abeysekara
Student ID- 11204098
BRAC Business School
BRAC University

13, August 2015
Letter of Transmittal

13 August, 2015

Ms. Syeda Shaharbanu Shahbazi
Senior Lecturer
BRAC Business School
BRAC University

Sub: Letter of Transmittal

Dear Madam,

As per the requirements of my degree, Bachelor of Business Administration (BBA) this report has been prepared by me on “Payment Automation with HSBC for Robi Axiata Limited”. The report focuses on the implementations of some of the key elements within the Corporate Finance Department of Robi.

During this assignment, I was able to relate the theories that were taught in class into the company and understand how these theories are practiced in real life situations.

The report is submitted to you for examination on the 13 August 2015. I thank you for giving me this opportunity to learn and enhance my knowledge.

Thank you.

Yours sincerely,

Upeksha Abeysekara
ID-11204098
BRAC Business School
BRAC University
Acknowledgements

At the outset, I wish to express my gratitude to my loving parents for the continuous support that they have extended to me throughout my life. I would also like to thank my loving brother and his wife who has been a great pillar of support in my life.

I am highly grateful to internship supervisor Ms. Syeda Shaharbanu Shahbazi, Senior Lecturer, BRAC Business School, BRAC University for the constant support and supervision she gave me through my internship. My gratitude goes to the Office of Career Services and Alumni Relations (OCSAR) of BRAC University for arranging the Professional Skills Development Program (PSDP) that groomed me to meet the requirements of the corporate world.

I am also grateful to my organizational supervisor Mr. Ala Uddin, Vice President and Head of Corporate Finance, whose constant guidance and knowledge shed light throughout the internship program. I would like to convey my gratitude to Ms. Ridwana Ahmed, Specialist Treasury, Mr. Badar Uddin Sabery & Mahbub Ali Sikder, Manager, Corporate Finance for their unconditional support. Moreover, I would also like to express my gratitude to all the mentors and employees of Corporate Finance Department of Robi Axiata Limited. I must mention that the friendly working environment and group commitment of this organization that helped me learn a lot about the corporate world.

Last but not least, I would like to dedicate this report to all my family members and especially to my loving nephew Dihain.

-Upeksha Abeysekara
Executive Summary

Robi Axiata Limited is an active and leading countrywide GSM communication solution provider. It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, formerly known as Telecom Malaysia International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Later, on 28th March 2010 the company started its new journey with the brand name Robi. Currently the company holds a customer base of 27.114 Million Subscribers across Bangladesh.

I was privileged to work in the Corporate Finance Department of Robi Axiata. The department can be broken down into 5 major aspects Insurance, Financing, Credit Control, Treasury and Tax and VAT. My internship report is based on Robi’s payment automation with HSBC. The entire payment automation process takes a lead time of near about one month to be processed. A thorough analysis is done on how payment automation has created value to some of Robi’s stakeholders.

As a leading telecommunication operator Robi wishes to make a few changes in the upcoming days in terms of automation with the banks, some of these changes are Staff payment through SCB and HSBC, Employee Fund Transfer payment and auto tax and VAT deduction. However, the following recommendations can be made for further improvements within the organization.

- Customers have been switching to other operators as a result of their poor network infrastructure. So, Robi should have quick expansion in network development all over Bangladesh if it wants retain its current customers and also attract new customers
- Introducing a loyalty package for customers who have used Robi SIM for more than 5 years
- Introduce small offers for ordinary Robi SIM users.
# Table of Contents

Letter of Transmittal ........................................................................................................................................ i  
Acknowledgements ........................................................................................................................................ ii  
Executive Summary ....................................................................................................................................... iii  
Table of Contents ......................................................................................................................................... iv  
Table of Figures and Illustrations .............................................................................................................. vi  
List of Abbreviations ...................................................................................................................................... vii  
01. Telecommunication Industry .................................................................................................................... 1  
  1.1. Industry Overview .................................................................................................................................... 1  
  1.2. Overview of the company ....................................................................................................................... 3  
  1.3. Vission, Mission, principles and purpose ............................................................................................... 5  
  1.3.1. Vision .................................................................................................................................................. 5  
  1.3.2. Mission .............................................................................................................................................. 5  
  1.3.3. Core Values of Axiata Group ........................................................................................................... 5  
  1.4. Visual Language ....................................................................................................................................... 7  
  1.4.1. Brand Signature .............................................................................................................................. 7  
  1.4.2. The Alpona ....................................................................................................................................... 8  
  1.5. Organizational Structure ....................................................................................................................... 8  
  1.6. Divisions and Departments .................................................................................................................. 9  
02. The Corporate Finance Department ......................................................................................................... 10  
  2.1. An Overview ......................................................................................................................................... 10  
  2.1.1. Insurance ......................................................................................................................................... 11  
  2.1.2. Financing ......................................................................................................................................... 11  
  2.1.3. Credit Control .................................................................................................................................. 12  
  2.1.4. Treasury .......................................................................................................................................... 12  
  2.1.5. Tax and VAT ................................................................................................................................... 12  
03. Internship at Robi ..................................................................................................................................... 13  
  3.1. The Working Environment ................................................................................................................... 13  
  3.2. My Responsibilities ............................................................................................................................ 13  
  3.2.1. Preparing the disbursement list ...................................................................................................... 14
Table of Figures and Illustrations

Figure 1- Mobile Subscribers in Bangladesh May 2015 ......................................................... 2
Figure 2- Shareholders of Robi Axiata .................................................................................. 3
Figure 3-Axiata Subsidiaries and Associates ......................................................................... 4
Figure 4-Core Values of Axiata Group .................................................................................. 5
Figure 5- Brand Signature of Robi ....................................................................................... 7
Figure 6-The Alpona ............................................................................................................... 8
Figure 7-Organizational Structure ....................................................................................... 8
Figure 8- Corporate Finance Department ............................................................................. 11
Figure 9-Sample Ready Cheque List .................................................................................. 13
Figure 10- Total Number of Cheques issued in the first Quarter of 2015 ............................ 26
Figure 11- Payment Automation Process ............................................................................. 27
Figure 12-Sample Document used for Payment Authorization ............................................. 28
Figure 13-Value Creation Process ....................................................................................... 30

Table 1-Number of Mobile Subscribers May 2015 ................................................................. 2
Table 2-Authorized Signatories of Bank Accounts ................................................................. 25
List of Abbreviations

3G  3rd Generation
AP  Accounts Payable
ATM Automated Teller Machine
BACH Bangladesh Automated Clearing House
BBA Bachelor of Business Administration
BDT Bangladesh Taka
BEFTN Bangladesh Electronic Fund Transfer Network
BOQ Bill of Quantity
BTRC Bangladesh Telecommunication Regulatory Commission
CAMEL Categorized Applications for Mobile Enhanced Logic
EDGE Enhanced Data for GSM Evolution
EFT Employee Fund Transfer
GPRS General Packet Radio Service
GR Gross Receipt
GSM Global System for Mobile Communication
H2H Host 2 Host
HSBC Hong Kong and Shanghai Banking Corporation
LAD Liquidated Ascertained Damages
LOA Limit of Authority
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ltd</td>
<td>Limited</td>
</tr>
<tr>
<td>OSS</td>
<td>One Stop Service</td>
</tr>
<tr>
<td>PO</td>
<td>Purchase Order</td>
</tr>
<tr>
<td>SAP</td>
<td>System, Applications &amp; Products</td>
</tr>
<tr>
<td>SCB</td>
<td>Standard Charted Bank</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WCC</td>
<td>Work Completion Certificate</td>
</tr>
</tbody>
</table>
This chapter focuses on giving an overview of the telecommunication industry in Bangladesh. We will see how Bangladesh has adapted to the fast evolving technology of the world, and where its future lies in terms of technological advancement. The topic will also cover the company profile, its establishment, its current performance within the industry and how it plans to excel in the future given the massive challenge of change in customer expectation.

1.1. Industry Overview

The telecommunication industry is known to be a dynamic industry all over the world. The changes in technology, open new doors towards unexploited opportunities. Countries that can respond to these changes timely and appropriately can grow successfully in the industry. Bangladesh is fast adapting to the changes in technology with the outside world. The past few decades have seen a lot of rapid changes in the telecommunication sector of Bangladesh. “At present there are six mobile operators in our country. According to the number of subscribers and profitability Grameenphone Limited is in the top position among the six operators. Except Teletalk though their local names are Grameenphone, Banglalink, Robi, Airtel, Citycell but their main companies are the world’s famous and big organization(Zamil & Hossen, 2012).”

“Bangladesh has discovered a way to grow its telecom sector in spite of the odds. Following a number of boom years of expansion the Bangladesh mobile market started showing signs of growth moderating in 2009. The strong growth has been helped enormously by the deregulation of the country’s telecom sector. Despite the progressive regulatory regime, the country was slow to move forward with 3G (3rd mobile services. The first 3G license in the country was awarded to Teletalk in 2012. The operators
moved quickly to launch their respective offerings and by March 2014 there were around 2.5 million 3G subscribers in total (Evans, 2014)."

As at the end of May 2015, the total number of mobile subscribers has increased to 125.971 million (Mobile Phone Subscribers in Bangladesh May 2015, 2015) which is a 8.372% increase from the previous year’s 116.239 million at the end of May 2014 (Mobile Phone Subscribers in Bangladesh May 2014, 2014). Table 1 illustrates the spread of subscribers over the six different mobile operators.

**Table 1- Number of Mobile Subscribers May 2015**

<table>
<thead>
<tr>
<th>Operator</th>
<th>Subscribers in 2015 (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grameenphone</td>
<td>52.839</td>
</tr>
<tr>
<td>Banglalink Digital Communication Limited</td>
<td>32.104</td>
</tr>
<tr>
<td>Robi Axiata Limited (Robi)</td>
<td>27.114</td>
</tr>
<tr>
<td>Airtel Bangladesh Limited (Airtel)</td>
<td>8.516</td>
</tr>
<tr>
<td>Pacific Bangladesh Telecom Limited (Citycell)</td>
<td>1.207</td>
</tr>
<tr>
<td>Teletalk Bangladesh Limited (Teletalk)</td>
<td>4.161</td>
</tr>
<tr>
<td>Total</td>
<td>125.971</td>
</tr>
</tbody>
</table>

![Subscribers 2015 (in Millions)](image)

Figure 1- Mobile Subscribers in Bangladesh May 2015
“The market will continue to grow, creating the opportunity to add the next million subscribers, as the market matures, operators will find that they have to provide better customer experience, and will expand their service offerings to encompass financial services, education, health, and many others. This will cement the position of the industry as a force for change in the life of the everyday user (Hossain, 2015).”

1.2. Overview of the company

Robi Axiata Limited is one of the dynamic and leading countrywide GSM communication providers in Bangladesh. “It commenced operation in 1997 as ‘Telekom Malaysia International (Bangladesh) with the brand name ‘Aktel’. In 2010, the company was rebranded to ‘Robi’ and the company changed its name to ‘Robi Axiata Limited’ (Company Profile). ” It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC. Robi is focused on developing products and services that meet the demand of the everyday user.

Figure 2- Shareholders of Robi Axiata

“Axiata is an emerging leader in Asian telecommunications with significant presence in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia. In addition, the Malaysian grown holding company has strategic mobile and non-mobile telecommunications operations and investments in India, Singapore, Iran, Pakistan and Thailand. Axiata
Group Berhad, including its subsidiaries and associates, has approximately 120 million mobile subscribers in Asia, and is listed on Malaysia’s stock exchange (Bursa Malaysia) (Shareholders).

**Figure 3-Axiata Subsidiaries and Associates**

“Robi draws from international expertise of Axiata and NTT DOCOMO INC. Services support 2G and 3.5G voices, CAMEL (Categorized Applications for Mobile Enhanced Logic) Phase II & III and 3.5G Data/GPRS (General Packet Radio Service)/EDGE (Enhanced Data for GSM Evolution) service with high-speed Internet connectivity. The company has the widest international Roaming coverage in Bangladesh connecting 600 operators across more than 200 countries. Since its inception in 1996, Axiata Group and its predecessor Telekom Malaysia has invested around BDT 11,000 Core in the form of equity till 2012 (Company Profile).”

Robi is committed to ensure that they stay a customer centric company with their overall innovative and advanced technology usage. The expertise they receive from Axiata Group and NTT DOCOMO INC will ensure that they have the leading edge in technology over its rivals in the industry.
1.3. Vision, Mission, principles and purpose

1.3.1. Vision
To be a leader as a Telecommunication Service Provider in Bangladesh.

1.3.2. Mission
Robi aims to achieve its vision through being number ‘one’ not only in terms of market share, but also by being an employer of choice with up-to-date knowledge and products geared to address the ever changing needs of our budding nation.

1.3.3. Core Values of Axiata Group

![Core Values of Axiata Group]

Figure 4-Core Values of Axiata Group

*Uncompromising Integrity*
Always doing the right thing and fulfilling promises made to earn the trust of stakeholders.

We are committed to upholding the highest standards of lawful and ethical conduct, and in demonstration honesty, fairness and accountability in all of our dealings. (Core Values, 2013)

*Exceptional Performance*
Always pushing ourselves to deliver benchmarked outstanding performance.
We are determined to be winner, leader and best-in-class in what we do. Whilst we are tough with performance standards, we are compassionate with people- we called it “Performance with a Heart!” (Core Values, 2013)

1.3.4. Principles and Purpose of Robi

Uncompromising Integrity

- We will be legally, ethically and morally correct.
- Our conduct will be fair and honest.
- We will listen, seek understanding and encourage open dialogue.
- We will be passionate in perusing our benefits.
- We will treat others with dignity, valuing and benefitting from diversity.
- We will be accountable for our actions and behaviors on fellow employees, customers, shareholders, and the communities in which we operate.
- We will be courageous in sharing our work and bold to learn and improve from our mistakes.
- We will adhere to our code of conduct, protect and uphold it. (Principles and Purpose)

Customer at the Centre

- We will be customer centric delivering their needs in terms of value, quality and satisfaction.
- Our customer focus will be unrelenting in creating positive experience, at every point of interface, sale, and post-sale
- Simplicity will be the key for the customer to learn about us, buy from us, and get support from us whenever, wherever.
- We will strive for continuous innovative solutions in every sphere of our work.
- We will engage with the customers to know their demands and design our actions to care for them better than our competitors can.
• We will not be distracted from creating and providing value for our customers. (Principles and Purpose)

_I Can, I Will_

• Ensure our efforts produce desired results.
• Seize opportunities at the right time and execute them on time.
• Go beyond our scope, strive for and achieve excellence.
• Do what it takes to ensure delivery of results not waiting for delegation.
• Go that extra mile, setting amorous goals to ensure our efforts bring success.
• Have the courage to say and do what it takes in order to ensure success. (Principles and Purpose)

1.4. Visual Language

1.4.1. Brand Signature

Figure 5- Brand Signature of Robi

• The logo should always appear in Bangali
• Special authorization is required if the logo is presented in English
• When writing it in English (Roman) text, it should be written as ‘Robi’
1.4.2. The Alpona

Figure 6-The Alpona

The Alpona is one the most creative expressions of Bengali graphic arts. Robi’s Alpona motif is uniquely created, especially for Robi. It taken from a very traditional ceremonial form and tide up to look more contemporary, the Alpona is vibrant and modern looking. It has a very organic soft feel to it whilst providing a forward moving direction- one of positivity and focus. The lack of sharp points and use of large curves provides a feeling of warmth and friendliness.

1.5. Organizational Structure

Figure 7-Organizational Structure
1.6. Divisions and Departments

Robi Axiata Limited operates with following Divisions and Departments.

Divisions:

- Finance Division
- Marketing Division
- Human Resource Division
- Information Technology Division
- Technical Division

Departments:

- Administration Department
- Internal Audit Department
- Coordination Department
- Corporate Strategy Department
- Corporate Affairs Department
- Credit Control Department
2.1. An Overview

The Corporate Finance Department of any organization can be viewed as one of the most important departments in an organization. The department can be broken down into 5 major aspects

- Insurance
- Financing
- Credit Control
- Treasury
- Tax and (Value Added Tax) VAT

The treasury section can be further divided into five major parts

Fund Allocation- Allocating funds for payments

Payments- This is where all the local vendor payments are handled

Letter of Credit- Deals with the foreign vendors and their payments on behalf of Robi

Fund Sourcing-When the allocated funds are not enough, and the company runs into deficit, the deficit amount has to be financed for future operations.

Insurance- Insurance on major assets that belong to Robi Axiata, of which around 2/3 is imported from international vendors
2.1.1. Insurance

All the major assets that belong to Robi are insured under five reputed insurance companies in Bangladesh. The total values of all the assets are divided among these five insurance companies to diversify the risk. The two main insurance companies naming Reliance Insurance and P that have the highest credit ratings hold around 80% of the company’s total assets. Since it is highly risky for these insurance companies to be liable to a large amount of assets, the insurance companies are under constant supervision of lead insurers that make sure that if the insurance company goes default, the company can regain the money that the insurance company is unable to pay.

2.1.2. Financing

Financing has two main branches. Robi is most concerned about Long term financing. Long term financing can be both in respect of local and international vendors. Local loans tend to have higher interest rates than international loans. Internationally Robi indirectly purchases loans from international banks that are foreign denominated currency. The maturity of these loans is mostly two years. Before applying for a foreign loan Robi first has to get regulatory approval and then a Cost Benefit Analysis. A thorough diligence is conducted before these loans are approved.
2.1.3. Credit Control

This is an activity carried out in the purpose of

- Increasing sales revenue by extending credit to customers who are at credit risk.
- Minimizing the risk of loss from their vendors who are identified as bad debts

It is mandatory to make sure that these vendors do their concerned payments on time, but also it is equally important to do a thorough background check and conducting a credit rating before beginning to work with them.

2.1.4. Treasury

The treasury works with mainly 7 local and international banks. Out of which HSBC (Hong Kong and Shanghai Banking Corporation) and SCB (Standard Charted Bank) are fully automated and provide printed cheques daily. Eastern Bank however, used for In-house cheques normally those of which the expected disbursement date is already expired. The treasury department also handles the petty cash of all the employees that are entitled to claim for petty cash.

2.1.5. Tax and VAT

There are two main branches of Taxation. One is Direct Tax, which includes Income Tax and Corporate Tax. The other is Indirect Tax which includes VAT, Supplementary Duty, Customs Duty, Excise Duty and Regulatory Duty. The Monetary Policy which is handled by the Bangladesh Bank and the Fiscal Policy which is handled by the Ministry of Finance. Robi can be categorized as a large tax payer.
03. Internship at Robi

3.1. The Working Environment

For my internship, I was privileged to work in the Corporate Finance Department of Robi Axiata. I was under constant supervision and guidance of Mr. Ala Uddin, Vice President, and Head of Corporate Finance and Ms. Ridwana Ahmed, Specialist Treasury, Finance. I commenced my journey with Robi on 1st April, 2015 with much enthusiasm. I also attended an internship orientation session. There were question marks as to how I will cope up to the new environment. But thanks to the friendly and corporative culture of Robi, everyone was willing to help me and guide me through. The unity and friendly environment helped me overcome the first few days, and gave me courage to unravel my true potential.

From the start of the last week of April up until the third week of June I was assigned with different mentors in the treasury division who had spared their time to teach me their individual contributions to the Corporate Finance Department. I was given one entire week with each mentor. I was invited to join 3 Focus Group discussions, each discussion aimed to gather new ideas of how Robi can better cope up with the current competition in the industry.

3.2. My Responsibilities

![Ready Cheque](image)

**Figure 9-Sample Ready Cheque List**
3.2.1. Preparing the disbursement list

Every morning I was assigned to prepare the disbursement list. The disbursement list is a part and parcel of the ready Cheque list that has to be prepared the day prior to the disbursement of the cheques. The ready Cheque list would contain all the cheques that were ready to be handed over to the vendors. The vendors are requested to come and collect their cheques on the expected disbursement date. They would be given a unique tracking ID from which they can use to track their payments. It was my duty to prepare the disbursement list from the cheques that were collected by the vendors on the previous day.

3.2.2. Working with SAP

After the first few days into Robi, I was exposed gradually to the System, Applications & Products (SAP) application. I have learnt many things that I have never been exposed to previously. Time to time I helped out in creating the daily database using the information provided in SAP. It was quite a challenge in the first place as we have never come across this application. I have also helped in entering text for the vendor payments, before they have been disbursed. I have also been taught how to generate a unique document number through this application. The SAP application was also used daily to create employee fund transfer database.

3.3. Challenges

I had the opportunity during the program to get a closure look at the various treasury activities along with the treasury department of the company. Overall, the whole program helped me both understanding the treasury activities and getting a feel of organizational activities. During the internship program however, I faced some challenges in carrying out my responsibilities.
3.3.1. Multi-dimensional Task Accomplishment

It is required that an intern will deal with various sectors and departments of an organization. The variety of task I have performed within the department; however, I felt that I have received more holistic view while I was working with the various employees of the department. These multi-dimensional pieces of work could be valuable for my carrier ahead of me.

3.3.2. Adjustment with the Workplace and Socialization

Organizational socialization means the adjustment of the skill, academic knowledge and behavior with the working environment. While I was performing my internship program within the Robi Axiata Limited, I was being treated as an employee like others in the organization. I got sufficient assistance from all the employees of the department to acquire enough knowledge about the task they perform. I believe that workplace grooming is mandatory so that we understand how to maintain good relationship with everyone who is working with you.

3.3.3. Enhancing Communication Skills

As a fully customer oriented organization, Robi Axiata Ltd. operates great customer service where the communication skill is one of the fundamental factors. Treating every vendor of Robi Axiata in customized unique way is challenging. I have achieved significant amount of knowledge about customer services and I have realized that great communication skills is the fundamental requirement of serving the customers with great service.

3.4. Recommendations for Future Improvements

3.4.1. Team building and leadership quality

Team building is a important part in an organization. In the workplace we are requested to work in groups where we are expected to come up with solutions to solve everyday business cases. If we have a good understanding about how to conduct these types of sessions we will certainly be able to take the upper hand and lead the team to success.
3.4.2. Professional knowledge about specific
In some cases, it is seen that we lack the professional knowledge that we require to conduct a task in our department. For example at Robi, they use the SAP software, throughout all their departments. I was not exposed to SAP before joining the company, therefore I had to spend quite a lot of time to feminize myself in order to use the SAP software. But if I had this knowledge before joining the company it would have been more fruitful.

3.4.3. Communication Skills and grooming
When we enter the work place it is very important to groom yourselves accordingly to match the work environment. Not being able to groom ourselves properly to meet the expectations of the organization will impose to others that we have a negative attitude and that we are not ready to accept the challenges in the job environment.
04. Background of the Report

4.1. Origin of the Report

The internship Program of BRAC University is a mandatory requirement for all undergraduates following the BBA program. The main purpose of the internship is to expose students to the job market and familiarize them to business transactions. Following an internship, we can accumulate useful insight as to how the theoretical concepts in the text books are applied in the real life situations. The internship program helps in the following ways:-

- To get detailed knowledge on job responsibilities
- To experience the real world
- To compare the real world scenario with the lessons learned in the class room environment
- To fulfill the requirements of the BBA program

4.2. Objective of the Report

The objectives of the report can be divided into two forms:-

- General Objective
- Specific Objective

4.2.1. General Objective

The internship report is prepared solely for the fulfillment of the requirements of the BBA program, BRAC Business School, BRAC University
4.2.2. Specific Objective

This report is prepared to emphasis mainly on the following aspects

- To analyses the payment automation process of HSBC with Robi
- To analyze how payment automation creates value for Robi’s main stakeholders
- To focus on the products and services offered by Robi
- To understand the different functions of the Corporate Finance Department of Robi
- To better understand the company’s overall performance in the past years, and how they are achieving their expected targets

4.3. Scope

The main intension of the study is to analyze the payment automation with HSBC, and understanding the requirements of payment automation. The report focuses on the procedures of payment automation. An overview of the Corporate Finance Department of Robi Axiata and its crucial function is also provided. The report also focuses on the different products and services offered by Robi Axiata.

4.4. Methodology

The analysis was conducted in a very chronological process starting from selection of the topic to final report preparation till the end of presenting the final report. The basic part was to identify and collect data; the data was collected through mostly secondary sources like different insightful websites. Some information was also collected through primary sources of data such as direct mentoring sessions with individuals within the Corporate Finance Department of the organization.
4.5. Limitations

While working in the Corporate Finance Division of Robi, I found some limitations within my scope. As I devoted much of my time in the Treasury section of Corporate Finance I was only able to get a glimpse of all the functions of the Finance Department.
05. Payment Automation

In this chapter we focus mainly on the Payment Automation types that Robi uses in order to make payments to its vendors and employees. A detailed description illustrates how documents handed to Robi for payment are processed till the final outcome. “For customers who process large volumes of payments and receivables, our fully automated host-to-host solution, HSBC Connect, is your single global pipeline to a wide range of HSBC banking services worldwide. HSBC Connect integrates directly with your accounts payable and receivables system, offering a secure, flexible and highly efficient solution for your payment, collection and reconciliation needs” (HSBC Connect to SAP). We will also be able to see how this process has enriched the company’s value, and makes it easier with the use of technological Applications such as SAP. The chapter also discusses the payment automation process and how HSBCnet plays its vital role in fulfilling the requirements of Robi Axiata. This chapter also contains details about the payment authorization process and the Limits of authorization.

5.1. Types of Vendor Payments

Robi uses the following methods for their vendors

- Instant payment
- Automation payment
- Discount Payment
- On line fund transfer
  1. BEFTN (Bangladesh Electronic Fund Transfer Network)
  2. BACH (Batch Automated Clearing House)
5.1.1. Instant payment

This is one of the payment methods that Robi applies when they make payments to their vendors. This is used only to instant support to the vendor’s and employee’s payment and also if there is any systematical problem in the automation payment process only in this case use instant payment process. Through SAP, EBL cheques are printed with the vendor code and their document number, net payment amount and all these information are printed in house and then the Cheque is sent for the two authorized signatories according to the net amount to be paid to the vendor.

5.1.2. Automation Payment

Automation payment is also an alternative payment process to pay the vendors. In automation payment system bills are sent by the vendor after their assigned job is completed. The bills are handled in batches and there is individual document numbers for every single bill of vendors. After it has been processed by Accounts Payable and Corporate Finance, Treasury, the batch is sent to the bank by using straight to banking system. The two authorized signatories of the batch are determined by the limits of authority so that the batch can be approved by then and automated cheques are sent by the bank accordingly as advised by Robi.

5.1.3. Discount Payment

Discount payment is one of the instant payments to the vendor’s. It’s occurs when the vendor’s want to get the payment before the expected disbursement date. In this case Robi follows discount payment process the process is vendors must have to 10% consider of their net amount. This 10% also for a year and it is multiply by days that the vendor’s get earlier before the measured date and also for this payment we need to take permission from corporate finance assigning person.
5.1.4. Online Fund Transfer

In some cases Robi pays their vendor’s by the using of Online Fund Transfer system. In the fund transfer system an application is sent to the bank manager with company account number and also mentions the transferable account number in an official Robi pad and it is send to the Bank by approving of assigning person. Online fund transfer are conducting two ways one is BEFTN (Bangladesh Electronic Fund Transfer Network) another one is BACH (Bangladesh automated clearing house

5.2. The Payement Automation Process

The entire payment automation process takes a lead time of near about one month to be processed.

Scope: The process covers invoice and payment processing for all technology local invoices.

Input: Delivery of technology materials or services by the vendors as per Purchase Order (PO)

Upon completion of the material or service delivery vendor submits Bill of Quantity (BOQ) to One Stop Service (OSS) of Robi Axia for verification and certification of work completion or final bill for payment processing.

Concerned official of OSS receives and checks the documents BOQ and other relevant documents or final bill as per standard checklist.

If the documents are found correct and complete, concerned officials of OSS records the receipt in online register by entering relevant information such as vendor name, received date, PO Number, invoice reference etc.
If the official of OSS finds that the documents are incorrect/ incomplete or any discrepancies with the checklist s/he returns the documents to the vendor for resubmission.

Concerned officials of OSS forwards the received BOQ/ final bill to respective department. S/he sends the BOQ and relevant documents to respective user departments (technology) and final bill to respective units Accounts Payable (AP) of finance at the end of every day.

Upon receiving of BOQ, challan and other documents concerned officials of respective unit of technology checks the documentation and schedule the site visit for physical verification. As the BOQ in respect of physical existence. During verification concerned site engineers make necessary corrections in the submitted BOQ, challan etc.

If it is required to take any corrective measure by vendor to complete the work, s/he informs vendor accordingly and forwards the documents to OSS to return to the vendors and resubmit upon necessary corrections

If physical verification found that no further corrective measure is required by the vendor, concerned site engineer prepares Work Completion Certificate (WCC) through SAP and passes necessary entry for Goods Receipt (GR) in SAP. [For materials received through Warehouse, the GR is done by warehouse staff s/he also calculates Liquidated Ascertained Damages (LAD) changes if any as per the conditions of PO and prepares vendor account statement.

Concerned site engineer forwards the verified BOQ, challan, LAD charges, vendor account statement and all other document to Technology Compliance (TC) for checking and review.

A concerned official of technology compliance checks the BOQ corrections, rates as per PO, LAD, calculations etc. If any discrepancy is found s/he makes necessary corrections or returns to user department for necessary actions.
If documents are found correct and complete and complete concerned officials of TC sends the verified BOQ WCC, vendor account statement etc. to OSS to forward to respective vendor for final bill.

Concerned officials of OSS scans the WCC and vendor account statement and uploads it in a common network place for onward processing by finance. S/he then forwards the documents to respective vendors to submit final bill within the next 3 days.

Concerned officials of the respective unit (AP) of finance receives the final bill from OSS and pulls the relevant scanned documents WCC, account statement etc. from common network location.

S/he checks and verifies the final bill and relevant WCC, LAD, etc. If any discrepancy is found s/he communicates with TC and takes necessary actions.

If the documents are found correct and complete s/he performs the Invoice Verification and parks the document in SAP

Appropriate authority (as per LOA), of finance checks the parked documents in SAP and post if for payment.

Concerned officials of AP forwards the documents to treasury, finance for onward processing for payment

Concerned officials of treasury, finance prepares batch in SAP/Cheque (where required) based in the received invoices and release/ forward for authorization by signatories.

(Appendix B)
Table 2-Authorized Signatories of Bank Accounts

<table>
<thead>
<tr>
<th>Group</th>
<th>Authorized Signatories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group A (Board of Directors)</strong></td>
<td>Chief Executive Officer &amp; Managing Director</td>
</tr>
</tbody>
</table>
| **Group B (Management Committee)** | Chief Financial Officer, Robi Axiata Limited  
Chief Operating Officer, Robi Axiata Limited  
Chief Technology Officer, Robi Axiata Limited  
Chief Human Resources Officer, Robi Axiata Limited |
| **Group C (Senior Management)** | Head of Corporate Finance, Robi Axiata Limited  
Vice President, Financial Compliance and Process Improvement, Robi Axiata Limited  
Axiata Limited  
Vice President, Financial Accounting and Management Reporting, Robi Axiata Limited |
| **Group D (Mid-Level Management)** | General Manager, Financial Accounting and Management Reporting, Robi Axiata Limited  
General Manager, Treasury, Robi Axiata Limited |

**Authorized Limits**

1. For any amount exceeding BDT 40,000,000 or USD 500,000 to be signed by Chief Financial Officer, Robi Axiata Limited with ANY ONE (1) signatory from Group A
2. For any amount exceeding BDT 8,000,000 and up to BDT 40,000,000 or USD 500,000 to be signed by ANY TWO (2) from Group B
3. For any amount exceeding BDT 8,000,000 or USD 100,000 to be signed by the signatory from Group B ANY ONE (1) from Group C
4. For any amount exceeding BDT 2,000,000 and up to BDT 4,000,000 or USD 50,000 to be jointly signed by ANY TWO (2) signatories from Group C
5. For any amount up to BDT 2,000,000 or USD 25,000 to be signed by the signatories from Group D jointly with ANY ONE (1) from Group C (Approval on Updates Authorised Signitories of Bank Accounts, 2014).

Respective signatories authorize batch/sign off cheques for payment disbursement. For batch instructions, cheques are prepared at the end of bank and sent in to Robi Axiata treasury, finance every day.

As per the disbursement schedule treasury, finance forwards the cheques to OSS communicate the respective vendors and disburse the cheques accordingly.

![Figure 10- Total Number of Cheques issued in the first Quarter of 2015](image)

Figure 10 indicated the number of total cheques that were generated for the first quarter of 2015. According to this, a total of 2234 cheques were generated in the month of January of which 2102 cheques were generated through automation. The number of cheques generated through the non-automated process has seen a considerable decrease with respect to the number of total cheques that are generated within a month. In the last month of the quarter, it has been noted that the total number of cheques that were generated add up to 1882 from which 94% were automated and only 114 cheques were non-automated.
5.3. HSBC.net

Figure 11- Payment Automation Process

HSBCnet helps large organizations with customized financial solutions. It allows the companies to process a large amount of financial transactions within a limited time frame in the most cost-effective manner. There are some key features of HSBCnet that have enhanced the efficiency of the organization.

- One easy-to-use consolidated interface
- Multilevel, end-to-end security
- Customizable workspace and choice of HSBCnet in supported local language and time zone
- Centralized, automated and scheduled enhancements mean there is no need to download software updates
- Comprehensive, yet easy to use with intuitive navigation, online learning resources and telephone support in your local language when you need it
- Align with your in-house treasury management systems and enterprise resource planning systems (Client Access).
5.4. Payment Authorization Process

The payment authorization process happens in 4 steps. With the authorization of Robi Axiata Limited the bank processes printed cheques within a short time frame. The steps involved in this process are carried out as follows.

**Step 1- Entering relevant data**

![Sample Document used for Payment Authorization](image)

Figure 12-Sample Document used for Payment Authorization

Figure 5.3 shows a sample document created by the Finance Department that is used for payment authorization with the HSBC. The relevant data are entered as mentioned in the invoice provided to Robi Axiata. The invoices are attached with the supporting documents, and the Tax and VAT amounts are deducted from the gross amount by the Tax and VAT department.

**Step 2- Encrypting the data**

The data is then encrypted, as per the requirements of HSBC before it is entered into the system of the bank. Special software is used for the process of encrypting. The bank’s system will reject the batch if the encrypting does not meet the standard that it maintains.

**Step 3- Approval of Signatories**

The batch of invoices has to be approved by the concerned authority of whose signatures will appear on each Cheque. The LOA of decides which two signatories are eligible to approve a particular batch of invoices. Each of the relevant signatories have to log on to HSBCnet (Appendix C: Snapshot of HSBCnet Logon page) and approve
the batch using a password protected security device provided by the bank (Appendix C: HSBC Password Protected Security Device)

**Step 4-Attaching the Cheques**

The cheques that are generated by the HSBC, and sent to Robi Axiata. Then they are attached to the relevant documents with their supporting documents. The cheques are then disbursed to their respective vendors on the expected disbursement date.
06. Analysis of Payment Automation

In this chapter we will analyze the payment automation mechanism used by Robi. We will be able to understand how this system is used to enhance the productivity and the efficiency of Robi’s stakeholders. We will also discuss in brief about how this technology can help customers as a target group and how Robi plans for future with the automated payment system in full function.

6.1. Value Chain Analysis

Value chain activities can be transformed from being a core competency to a distinctive competency for a firm, but for this we first may need to do a Value Chain Analysis (VCA). A VCA is the first step towards transforming a company’s value chain activities to build a competitive advantage over the industry rivals. For this this Robi has to first identify the tasks or activities within the value chain activities. Then they have to evaluate the cost of conducting each activity. The result can help them understand which of the value chain activities the company can perform at low cost and thus also serve the company as a competitive advantage.

Figure 13-Value Creation Process

1. Identify Value Chain Activities- Robi should first try to assess their current value chain and identify all the key activities within the value chain. All the different activities in the value chain are attached with individual costs. So, they have to target the activities that they can perform at lower costs than others and then try to build a competency with that activity.
2. **Core competencies in some activities**- After evaluating each value chain activity, the company can identify that in some activities can be performed better than others using the available resources and with minimum cost. These activities can become the core competencies of the company. Moreover, the company can also analyze other competitor value chains and compare with the company’s value chain activities and see if the company is doing better in this activity than its competitors.

3. **Core competencies transform to distinctive competencies**- The identified core competencies can be transformed into distinctive competencies once the company can excel at performing this chosen activity with the minimum amount of resources. If they can perform this activity with minimum cost and time than the rival firms, the company can create a valuable distinctive competency. Here, the company has to be very careful about its total cost in the value chain activities. Performing one value chain activity may directly or indirectly raise the cost of another value chain activity.

### 6.2. Creating Value for Stakeholders

Robi Axiata has been able to create exception value for each of its stakeholders through the use of new technology and automation of the payment process for its vendors. The use of world renowned software applications and heavy investment on Robi’s infrastructure by its current shareholders has added value and stakeholder satisfaction is maintained through smooth service. By using technical expertise and soft wares to carry out business operations Robi has been able to serve each of its stakeholders in a unique manner. Here are some of the ways how payment automation has created value to Robi’s stakeholders

**Workforce View**

- More innovation- Continuous training on technological up gradation will help the workforce come up with new and innovative ideas for improving the current offers.
• Greater productivity- Employees are motivated to come up with more efficient ways of conducting the task and thus they understand how the job adds value to the organization and boosts productivity.

• Employee satisfaction- Due to the use of technology, the work load is minimized and therefore employees enjoy working.

Vendor’s View

• Transparency- Maintaining the transparency throughout the payment process allows vendors to constantly track their payments.

• Flexible Paying- Vendors have the ability to demand for their payment method, this way they can get discounted or advance payments.

• Fast service- Vendors can receive fast service. With the use of technology, work flow is cut short and allows faster processing of vendor documents keeping up a high quality of service.

Shareholder’s view

• Higher Returns on Investment- Shareholders are bound to receive higher returns on their investment as more sales are generated through the use of high technological expertise and quality service.

• Improve the good will of the group- Through the high performance of one of the sister companies it can impact the overall good will of the entire Axiata Group.

Management View

• Quicker Decision Making- Automated process can lead to faster decision making as some of the steps of the workflow are completely omitted, and all the information needed for decision making are there right in front of you.

• Meet the expectation of all stakeholders- The expectation of all the stakeholders are met as the management is able to keep a balance of all the processes and achieve the vision and the mission of the group.
Customer's View

- Customer Centric Business- Customers start to feel that the business is fully focused on providing satisfactory service to them. They will feel that the company is trying to do the best they can to keep them happy.
- Customers may want to be a part of the company’s success-As customers begin to feel that the company is doing a lot for their benefit, they would also want to be a part of it. The organization can find loyal and committed employees to work under them.

6.3. Future with Automation and Targets for 2015

Customers are becoming extremely tech savvy, as years go by it is therefore highly mandatory that businesses today adapt to the changes in technology to make sure that tasks are completed as fast as possible. The automation system has allowed Robi to speed up their payment methods, and thus enhanced their progress in the fierce industry. The technical know-how of their shareholders Axiata Group Berhad, Malaysia and NTT DOCOMO INC have allowed Robi to grow leaps and bounces above their competitors. The use of technology has not only made them a more reliable company but also made them a much better customer oriented company. With the use of such technology as payment automation, Robi has been able to cut down a lot of costs and labour hours, thus allowing them to focus more specifically on their greatest asset. Robi have managed to drag back a lot of customers recently as they become an increasingly technologically advanced service provider.

Robi aims at achieving the following targets by the end of 2015 with regard to automation.

1. Payment summary for approval
2. Flexible signing
3. Staff payment through SCB and HSBC Host2Host (H2H)
4. Auto bank reconciliation
5. Auto cash budget preparation
6. Employee Fund Transfer (EFT) payment
7. Auto tax and VAT deduction
8. Auto annual Cash Flow
9. Advance Payment
07. Recommendations

Though Axiata Group Berhad and NTT DOCOMO (Robi) is a well-established company in Bangladesh and running successfully in the domestic market, it has a handful of internal weaknesses which are written below:

- In terms of payment automation, a large number of cheques still remain with the Finance department because vendors don’t come to collect them. So they should establish a method to inform the vendors to come and receive the cheques.
- Finance department should standardize the petty cash form, as it has been noticed that some petty cash users are unaware of how to categorize their individual expenses.
- Customers have been switching to other operators as a result of their poor network infrastructure. So, Robi should have quick expansion in network development all over Bangladesh if it wants to retain its current customers and also attract new customers
- Introducing a loyalty package for customers who have used Robi SIM for more than 5 years
- Introduce small offers for ordinary Robi SIM users.
Robi Axiata Limited is recognized as one of the top mobile companies in Bangladesh. It covers the whole Bangladesh by its network. There are many product and services offered by Robi that give them a competitive edge over the other mobile operators in the market. At the moment the company is growing at a rapid pace. Robi’s takes its decisions based on raw facts collected market research and survey. Their “Listen to Customers” is one of the incentives that Robi has taken in order to keep constant interaction with its valued customers. All the employees at Robi have to undertake this survey, and listen to the footages recorded by the customer care service. This helps the employees understand the changing needs and wants of the customers and also helps the company to bring up changes according to customer preference.

For any company, whether it is small or big like Robi, Financial Management is one of the major aspects. They have to maintain the current working process and work towards achieving efficiency within that process. The use of world rewound Applications such as SAP has given the company a big boost and it has helped the company and especially the Finance Department overcome a lot of time consuming manual work. With exceptional network coverage and a call rate that is parallel to the industry’s best, Robi will not have to remain the third best operator in the country. In fact if they can focus on achieving their long term goals they will sooner or later take over the 2nd spot in the mobile operators list.
References

*Core Values.* (2013). Retrieved May 16, 2015, from Axiata Group:
http://www.axiata.com/investor-relations/2013/ar/shaping-the-future/core-values

Approval on Updates Authorised Signitories of Bank Accounts. (2014). (pp. 1-3). Robi Axiata Limited.


http://www.btrc.gov.bd/content/mobile-phone-subscribers-bangladesh-may-2015

*Bangladesh: Robi Axiata Limited.* (n.d.). Retrieved June 8, 2015, from Axiata Group:
http://www.axiata.com/investor-relations/2013/ar/operating-companies/robi

*Client Access.* (n.d.). Retrieved July 2, 2015, from HSBC.net:

*Company Profile.* (n.d.). Retrieved April 24, 2015, from Robi Axiata Official Website:

Evans, P. (2014, December ). *Bangladesh - Telecoms, Mobile, Broadband and Forecasts.* Retrieved from BuddeComm:


Logon to HSBCnet. (n.d.). Retrieved July 2, 2015, from HSBCnet: https://www1.secure.hsbcnet.com/uims/portal/IDV_CAM10_AUTHTENTICATI ON;jsessionid=0000HtPWYvGilLMYqN1wiXll6Wkg:1816vfmes?__trats=&__a rxasnkuc=73c7c3f8e06f69f2dd9627efb7aa8f38ec88772ced512fea6b17696a067 2fe7&__dne=


Appendices

Appendix A

Number of Mobile Subscribers in Bangladesh May 2014

<table>
<thead>
<tr>
<th>Operator</th>
<th>Subscribers in 2014 (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grameenphone</td>
<td>49.088</td>
</tr>
<tr>
<td>Banglalink Digital Communication Limited</td>
<td>29.626</td>
</tr>
<tr>
<td>Robi Axiata Limited (Robi)</td>
<td>24.077</td>
</tr>
<tr>
<td>Airtel Bangladesh Limited (Airtel)</td>
<td>8.491</td>
</tr>
<tr>
<td>Pacific Bangladesh Telecom Limited (Citycell)</td>
<td>1.433</td>
</tr>
<tr>
<td>Teletalk Bangladesh Limited (Teletalk)</td>
<td>3.525</td>
</tr>
<tr>
<td>Total</td>
<td>116.239</td>
</tr>
</tbody>
</table>

Subscribers 2014 (Millions)
Appendix B

Payment Automation Process Flow Chart
Appendix C

Snapshot of HSBCnet Logon page

HSBC Password Protected Security Device
Appendix D

Robi’s Financial Performance from 2012-2013