



*Internship Report on Procurement Unit of Banglalink-  
An analysis on buying process*



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Date of Submission: 12<sup>th</sup> April, 2017

# **Chapter one: Prefatory Part**

## Approval Page

This internship report entitled “Internship Report on Procurement Unit of Banglalink- A analysis on buying process” has been submitted in fulfillment of the requirements for the degree of Bachelor of Business Administration. I am Zannatun Tabassum Binte Zaman, ID: 13104106, Major in Finance &E-Commerce and is representing the report on 12<sup>th</sup> April, 2016. The report has been accepted and may be presented for evaluation

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# Letter of Transmittal

April 12, 2017

Tanjina Shahjahan

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**Subject: Submission of internship report on Banglalink Procurement.**

Dear Madam,

I would like to take the occasion to show gratitude you for the support and guidance you have given me during the development of this report. This report would have been impossible to complete without your help. I would also like to thank all the team member of procurement in Banglalink.

To prepare the report, I have concentrated my best effort to achieve relevant information .I believe, the real-world skill gathered during my internship will help in my future professional life.

I would be glad if you instruct me with your views and opinions regarding the report. Also if you wish to enquire about any aspect of my report, I would gladly answer your queries.

Thank you again for your support and patience.

Yours sincerely

---

Zannatun Tabassum Binte Zaman

ID: 13104146

## Acknowledgement

All praises are due to Almighty Allah who enabled me to complete this report. This report titled “Internship Report on Procurement Unit of Banglalink- A analysis on buying process”. I would like to acknowledge my internship supervisor Tanjina Shahjahan, Lecturer, BRAC Business School for providing all guidance and support that was needed. Her sincere guidance, untiring co-operation, valuable suggestion and inspirations of creating a unique report enabled me to overcome all the problems while preparing this report. I am also indebted to my internship supervisor in Banglalink Chowdhury Tanvir Sadat. Throughout my internship period he helped me a lot to fulfill my internship objective. I am also thankful to Sazzad-ur-Rasul, Nazirul Islam Khan, Murfat Abedin, Md. Wahidul Haque Shawon, and to Mr. Rakibul Hassan, along with others who had kindly spared me with their priceless time, invaluable affection, astute support and significant direction. No words of appreciation can sufficiently express the immense gratitude that I owe to the whole procurement team of Banglalink. I would also like to express my sincere gratitude to the authority of BRAC University.

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# 1. Abstract

Banglalink Digital communications has to frequently procure telecommunication gadget, accessories and offerings to perform its intention of handing over international elegance telecom service to clients. Banglalink procurement functions are handled by the supply chain management (SCM) unit of finance department. Procurement is the section of SCM, is chargeable for handling procurement of products and offerings which can be directly brought from companies. The report describes the procurement process with evaluation which begins with a purchase requisition (PR) from a consumer department. This report also indicates of distinctive varieties of challenges and troubles faced by using the branch worried inside the procurement system and process. Some key problems of procurement are also described in this report. But this report mainly focuses on the buying process of the Banglalink and its flaws. And in this report it is also tried to give a solution about how this process can be developed & how these developments will work. All the information used for this report was approximate.

# **Chapter two: Company overview**

## 2.1. Basic information about Banglalink

Before talking about Banglalink Digital communication I would like to give a chart to show briefly about Banglalink

Type	Subsidiary
Parent	Veon-Russia
Founded	1999
Headquarters	Tiger's Den SW(H)04, Gulshan Avenue, Gulshan Model Town, Dhaka, Bangladesh
Area served	62 districts and 454 thanas
Industry	Telecommunication
Products	Telephony, GSM, GPRS
Slogan	Start something new
Website	<a href="http://www.Banglalink.net">http://www.Banglalink.net</a>

**Figure 1: Basic Information about company**

So the above chart shows the basic information of Banglalink. Banglalink is the 2<sup>nd</sup> largest telecom industry in Bangladesh with 7.1 million customers and 31.9 million subscribers as of January 2017. It also has a market share of 24.4%. Banglalink company has been registered under the Companies Act 1994

## 2.2. Parent company of Banglalink:

Banglalink digital communications limited (previously orascom telecom Bangladesh limited) is a fully owned venture by telecom ventures ltd. (previously orascom telecom ventures limited) of Malta, which is a 100% owned subsidiary of global telecom holding. Veon owns 51.92% shares of global telecom holding following a business. Veon owns the largest share between Veon and wind telecom. Veon is one of the largest telecommunications services operators throughout the world. It provides voice and data services throughout many countries like

- Algeria(“Djezzy”)
- Pakistan(“Mobilink”)
- Egypt(“MobiNil”)
- Tunisia(“Tunisiana”)
- Iraq(“IraQna”)
- Bangladesh(“Banglalink”)
- Zimbabwe (“TelecelZimbabwe”)

Orascom telecom holds the majority of stake about 56.9% of the, Sawiris family of Egypt.

## 2.3. History of Banglalink Digital Communication

Previously Banglalink was known as Sheba Telecom and it was conceded permit in 1989 to work in the rustic regions of 199 upazilas in Bangladesh. It was a private company. Later it got the permission of 15-year GSM permit in

November 1996 and also to extend its business to cell versatile, radio telephone utilities throughout the nation.

In July 2004, it was accounted for that Egypt based Orascom Telecom is set to buy the Malaysian stakes in Sheba Telecom through a secretive arrangement, as Sheba had neglected to tap the business possibilities in Bangladesh principally as there was a constant fight between its Malaysian and Bangladeshi accomplices. Later Telecom Ventures Ltd. bought 100% of Sheba Telecom for USD 60 million in September 2004 and rebrands the franchise as Banglalink which was launched it on February 10, 2005.

Banglalink started its journey with a vision of “bringing mobile telephony to the masses” and had a wonderful success, because it made mobile phone a necessity rather than luxury product.

## **2.4. Vision, Mission, Values, Strategies & Slogan**

### **VISION:**

“Banglalink understands people's needs best and will create and deliver appropriate communication services to improve people's life and make it easier”.

### **MISSION:**

- Attaining a top position in the Bangladesh wireless market.
- Generating optimum shareholder value
- Making a difference

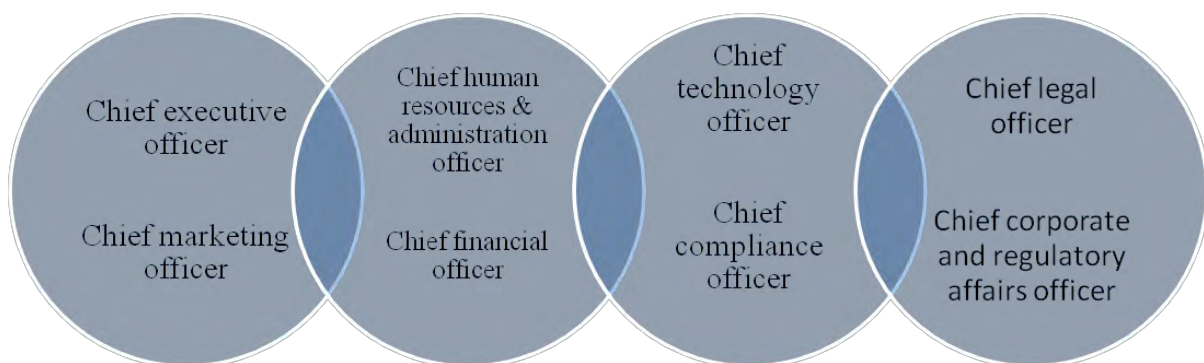
## VALUES:

- Straight Forward
- Reliable
- Innovative
- Passionate
- Entrepreneurial
- Empowered

## SLOGAN:

“Start something new”

## 2.5. Management team of Banglalink:



**Figure 2: Management team of Banglalink**

There are eight people in Banglalink management team. Their names and designations are given below

- Chief executive officer: Erik Aas
- Chief marketing officer: Prasoon Lal

- Chief human resources & administration officer: Ms. Monzula Morshed
- Chief financial officer: Anton Landman
- Chief technology officer: Sanjay Vaghasia
- Chief compliance officer: M Nurul Alam
- Chief legal officer: Jaharat Adib Chowdhury
- Chief corporate and regulatory affairs officer: Taimur Rahman

## **2.6. Products of Banglalink:**

- Prepaid packages
- Postpaid packages
- Internet packages
- SME loans
- Banglalink Inspire
- Mobiles
- Electronic Accessories

## **2.7. Social responsibilities of Banglalink**

- As we all know that Cox Bazar sea beach is the longest sea beach of the world. Banglalink has project to keep clean this sea beach. There are 26 females and 7 male workers in this project and they keep working all the year.
- Banglalink also distribute water and dates in the road during the holy

month of the Ramadan. And they also have water and dates in their outlets for people. Other than this they also arrange iftar for orphanage.

- Banglalink also distribute blankets to the orphanage and people living in streets. They also distribute clothing for winter
- If there is flood or cyclone or any kind of natural disaster Banglalink arranges concerts or other cultural program to collect funds for the people who are affected by the disaster.
- Banglalink also arrange special arrangements for the pilgrims at the hajj camp like arranging air-conditioned buses, water distribution zones, phone counters for making free phone calls and charging units, to help the pilgrims further Banglalink gives them trolleys, signage, information through service & a hajj guide booklet to facilitate quick and easy understanding of the hajj rituals.
- To enlighten the nation with the education Banglalink has set up free computer lab in 270 schools all wide the nation. The computer labs have pc, laptop, internet modem, multimedia projector, speakers and microphone etc. it encourages them to go further with the study as it creates a ray of hope.
- Other than this Banglalink arranges "Lalon Utshob", " Boat Races", "Boshonto Utshob", "Shah Abdul Karim Loko Utshob", "S M Sultan Utshob", "Hason Raja Loko Utshob" and many more to promote our culture and show the dedication of them for our culture.



# **Chapter Three:**

## **Project part**

## 3.1. Introduction to project

This report focuses on the procurement process of Banglalink. This department is under the umbrella of Finance department. Though there are two types of procurements in general, they are

1. Direct procurement: It directly affects the production process of manufacturing firms.(Procurement, 2010)
2. Indirect procurement: It activities concern “operating resources” that a company purchases to enable its operations. Indirect procurement comprises a wide variety of goods and services, from standardized items like office supplies and machine lubricants to complex and costly products and services; like heavy equipment, consulting services, and outsourcing services.(Procurement, 2010)

But Banglalink also has two types of procurement system, they are

1. Procurement technical: This group essentially works for acquiring merchandise concerning common development such as equipment, towers, and generators, BTS, base stations and others. Specialized group mainly receives ask for from Network Deployment for their colossal prerequisite with respect to network expansion. For instance, when Network sending distinguishes the requirement for system extension in certain territories and in this manner require setting up of BTS tower and radio wires in both Greenfield and Rooftop, they sent Purchase Request to Technical group. Merchant will begin work only when they should get the Purchase Order from acquisition. Therefore, the user offices dependably need to depend on acquisition group for a demand

fortechnical buy as Procurement group has the specialist of Purchase Order creation. The whole procedure of raising PR to issuance of PO is examined completely in beneath. Specialized obtainment predominantly bargains ask for from the accompanying four client divisions:

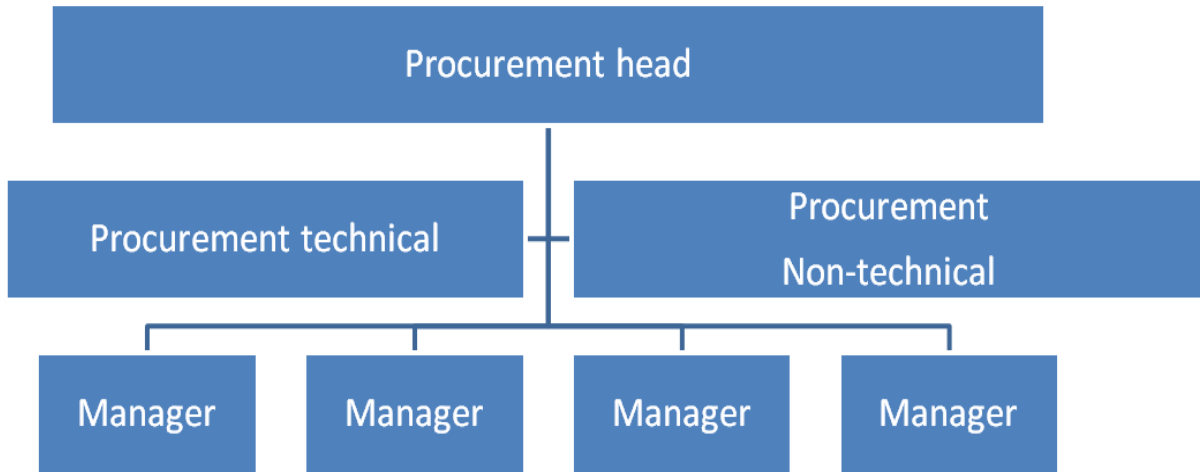
- Rollout
- Operation and Maintenances (O and M)
- Access Network
- Core Network

2. Procurement Non-technical: Obtainment Non-Technical manages just buy of non-specialized materials needed by the different practical units of Banglalink. Buy Requests are raised by the following departments:

- a. Marketing: Marketing departments fundamentally manages Public Relation (PR) and Marketing Research. Furthermore they raise PR for contracts of Bill Boards, T.V. what's more, Radio Advertisements including the compensation of models.
- b. Admin: On the off chance that any branch of Banglalink is opened, its enhancement, furniture, generator, UPS and so on are purchased through obtainment non-specialized. Besides, lawful related exercises include defending and endeavoring for claims, installments of attorneys are endorsed by this department. Supply of lunch for the workers in cafeteria and different amusements for any occasion, Contract assertion for procuring transport, powers and so on are affirmed through Procurement Non-Technical.

- c. IT: All IT gear likes Computers (P.C or Lap Top), Printer and Toner, Scanner and so on and all electrical works, LAN works are bought through acquirement non-specialized.
- d. Client Care Department (CCD): A wide range of calculated supply for CCD, consumption for leading preparing and workshops including participants“ nourishment and preparing materials are raised by CCD to acquirement non-specialized.
- e. HR: In giving administration preparing to the officers and workers of Banglalink for skill development is raised by HR office to obtainment non-specialized.

The process of buying thing has attracted me so much, and earlier that there are only 18 people in Banglalink procurement division and all the act of finding, acquiring, buying goods, services or jobs are done by this division. But due to lack of human resource this department is facing a lot of pressure and problems. So the other department is facing some problems as there is some delay for some products. To change this hectic schedule of the employees Banglalink are talking different measures. They are also changing their management systems. Previously there were hierarchy organizational structure, but now there is flat organizational structure



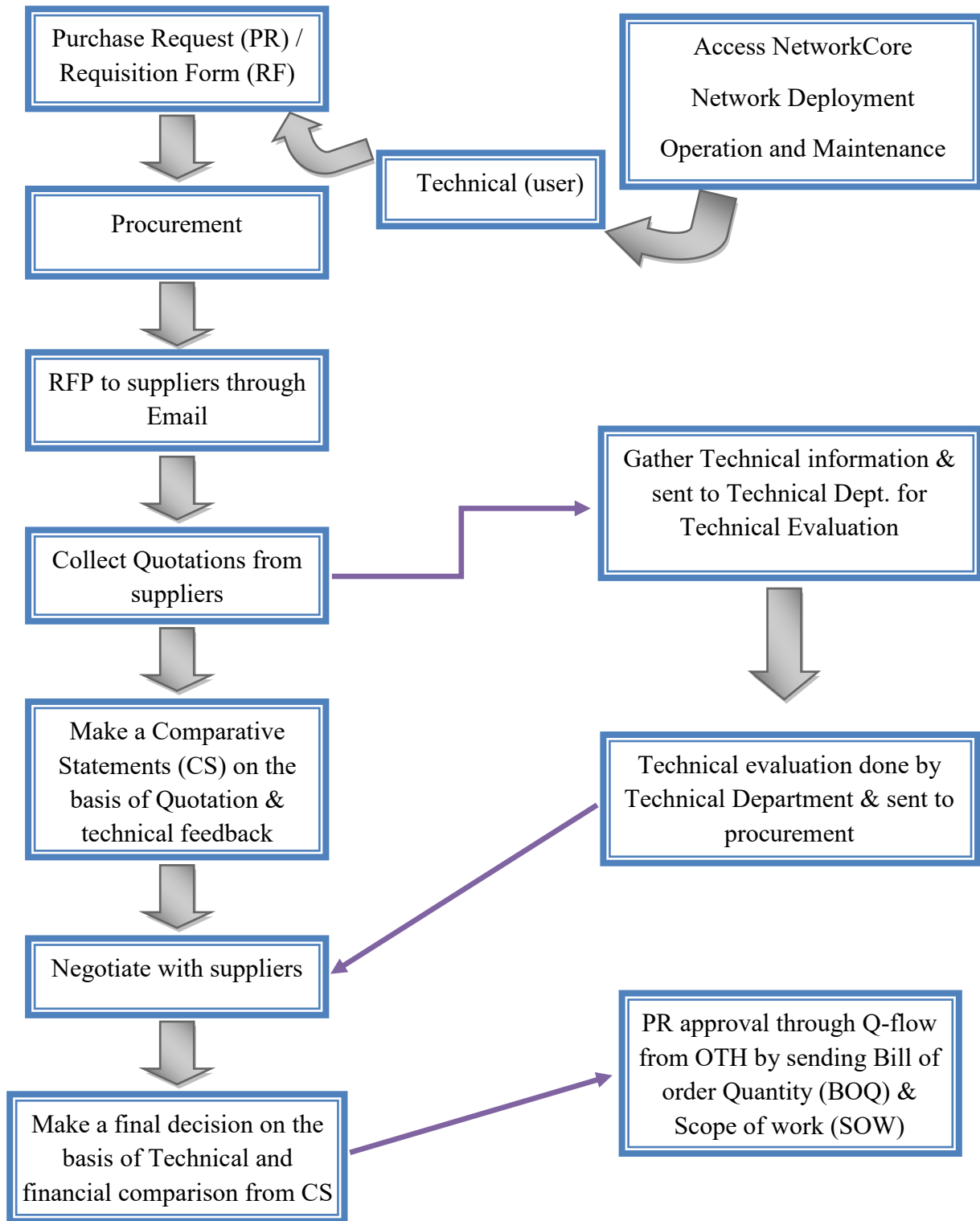
**Figure 3: Organizational Structure**

## 3.2. Problem statements

I have been working as intern in Banglalink under procurement department. And recently Banglalink has gone through downsizing. So the procurement department are now of only 18 members, where there were almost 56 members. So all the employees are overload with works. As we all know that everything a company needs is purchased by the procurement department. Banglalink buys three types of things, they are

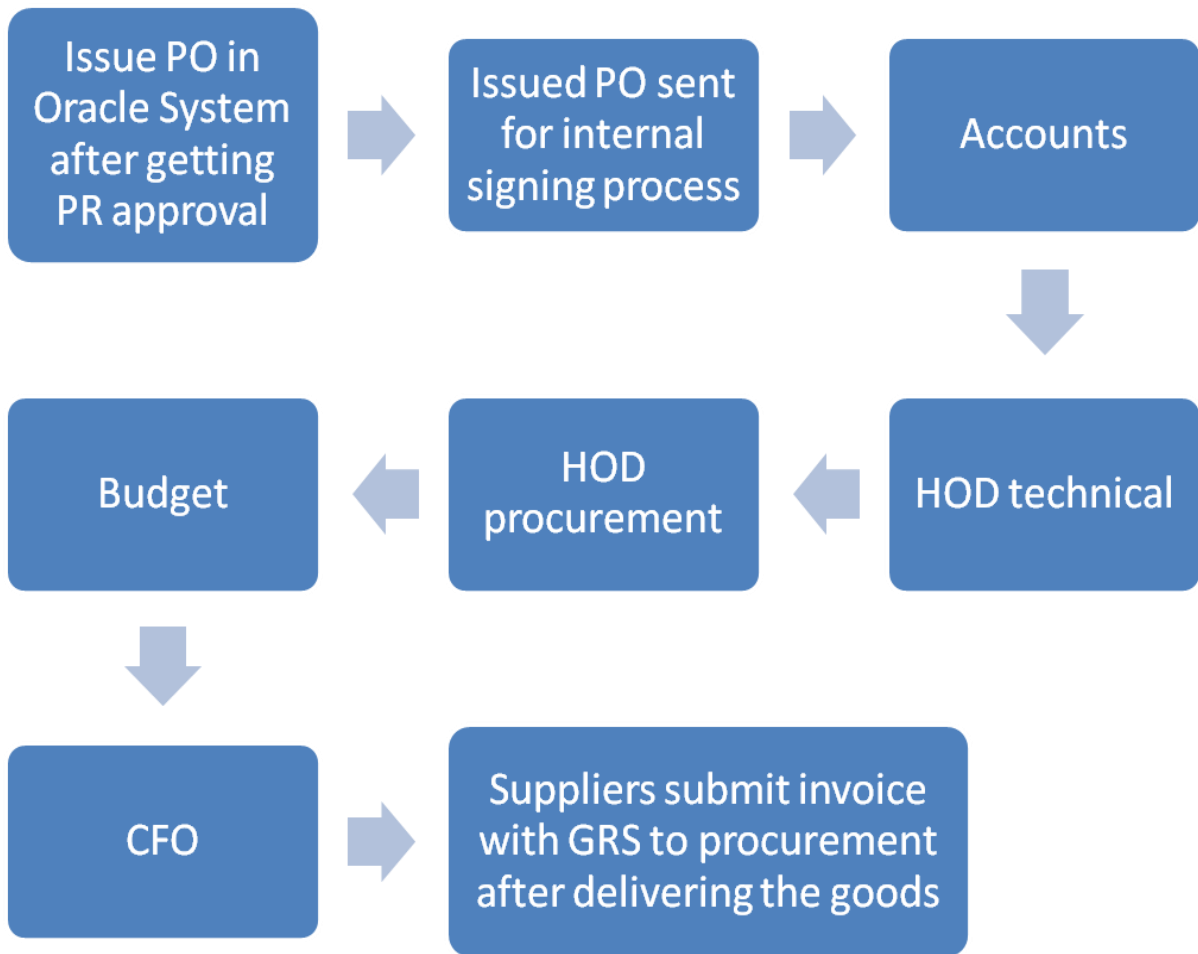
1. Hardware
2. Software &
3. Jobs (from 3<sup>rd</sup> party)

These entire things are brought by procurements. But as there human resource is limited, so the company is facing problems to buy all these things. Because buying any of these needs to go under certain process and permissions. And the process is lengthy, and the people in procurement department are facing really hard times. They even have to work on holidays and even after office hours. They also have to meet at least 5-12 vendors everyday besides their regular works. And also the other departments are also facing little problems as their things are being delayed sometimes. The purchasing process of Banglalink is given bellow



**Figure 4: Purchase Process**

After the purchase requisition is approved then there is a process for purchase order to get the product. The process of purchase order is given bellow,



**Figure 5: Process of Purchase Order**

We can see that the purchasing process of Banglalink is long, time consuming and critical. It takes average 4 weeks to get the desired thing after the application. So now, as the department has gone through downsizing and left with few members, they are having hard times to go through the whole process and sometimes there is delay to purchase items. So I think Banglalink should change the process of their purchase.



### 3.3. Purpose of the project

To make this report there were some objective behind it. Those objectives are

- To fulfill my bachelor degree. To give the student an understanding about the corporate world BRAC University requires 4 credit of internship program to complete the BBA.
- To know more about the procurement department of Banglalink and how it works.
- To analyze the procurement process of Banglalink Digital communications.
- To analyze about the limitation and time constraint of the procurement process
- To know about the challenges they face to maintain the company.
- To find out their flaws and also to find a way about how can they be more efficient.

### 3.4. Timeline

It is a three month internship program. So it took me almost two months to collect all the information about the whole procurement process. Throughout the three months, I only prepared purchase order and purchase requisition. But in the 1<sup>st</sup> and 2<sup>nd</sup> month I only prepared it and tried to collect the information. And in the second month I begun to understand about the process and learn about the flaws. So it took me almost three month to prepare the report. The time frame could be described below

<b>Events</b>	<b>1st Month</b>	<b>2nd Month</b>	<b>3rd Month</b>
Information Collection			
Understand, Analysis& Report Generation			
Findings&Result Generation			

**Figure 6: Report Generation Timeline**

## 3.5. Limitation

No work can be done without hardship and bindings, so for preparing this report I also face some limitation while preparing this report. The limitation are described below,

- As I was an intern I did not have access to all the files and folders of the company, because I did not have access to shared drive.
- I could not access all the policies of the procurement because of the company rules and regulation.
- Time is one of the main problems to generate this report, as there was not enough time.
- It became difficult to conduct an employee survey as there is very less employee in this department.
- Moreover there is no formal test on any hypothesis base as it is a procurement theme.
- All the data that are used in the report is approximate.

## **3.6. Methodology**

### **3.6.1. Framework of the report**

The whole report has been arranged with four specific chapters. Chapter one named as introduction part which includes the executive summary of the project and all the basic information about the report. The second chapter is known as the organizational part; here the organization I have been working as an intern is described. The basic information about the company, the product and service and all the details of the company is described. Part three includes the main project part which includes methodology of the study, limitations and timeline of the study procurement process, problems, analysis & conclusion. And the fourth part is about is reference and appendix.

### **3.6.2. Target population**

The target populations for the study are –

- a) Internalemployees.
- b) Keyexecutives.

### **3.6.3. Study Area**

The study will be conducted within the organization to represent the procurement process of Banglalink Digital Communication Ltd.

### **3.6.4. Data Source**

For the information of the report various data collected by informal interview with the employees. In addition several studies on Banglalink Digital Communication Ltd of the website publications have been used for this purpose. So we can say that the data source was two types

- a) Primary Data: Primary data is collected from the executives and managers of the organization and based on my experience on those units.
- b) Secondary Data: Secondary data was collected from articles of different journals and newspapers. Moreover, to prepare this report I have gone through different websites in order to get quantitative data.

## 3.7. Findings

### 3.7.1. Limitation of Banglalink procurement departments

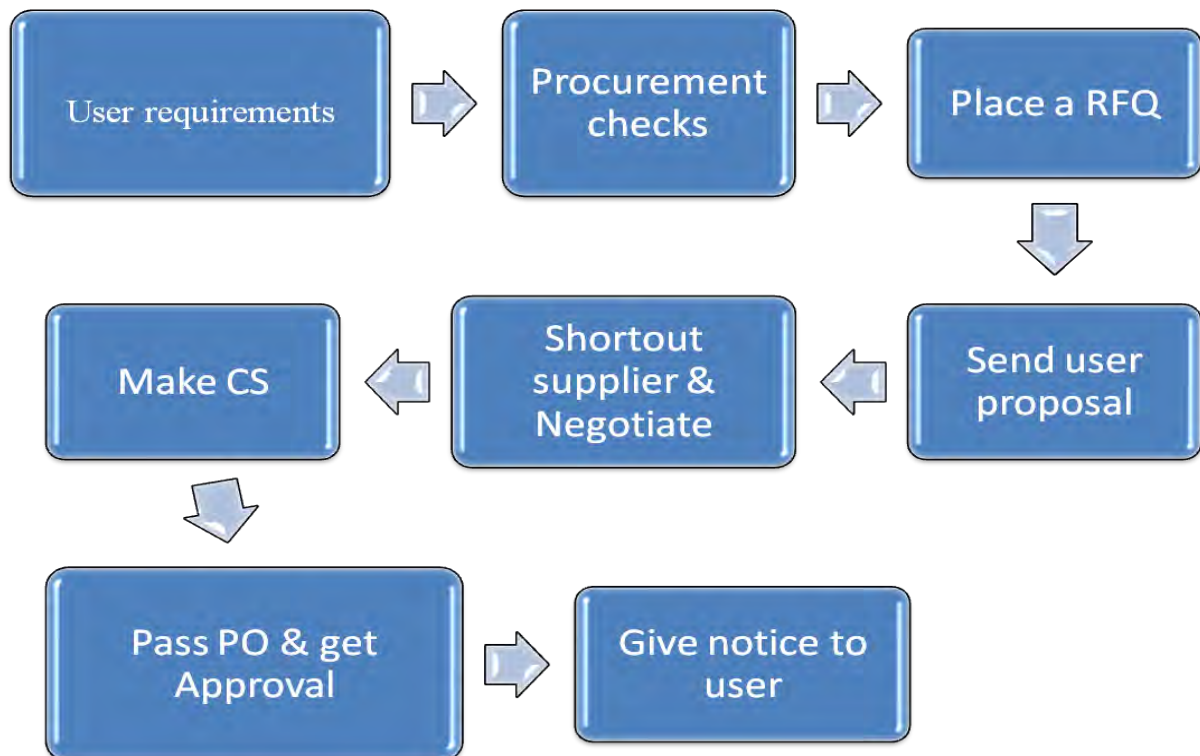
During my journey as internship in Banglalink I have noticed that Banglalink procurement department has some limitation while performing the duties. The limitations are,

- Relying completely on some specific supplier
- Structural problem of PO signing hierarchy
- Lack of Manpower
- Unavailability of cabinets
- Centralized decision process
- Existing vendor evaluation criteria is not sufficient
- Sourcing Risk (Bias of users towards certain bidders)
- User department takes long time in technical evaluation
- Focus on price reduction during negotiations by sidetracking quality
- Top management influence in contract awarding
- Pressure of meeting deadlines of user requirements
- Manual Procurement Approval
- No provision of providing advance payment to bidders
- Not clearing the vendor payments in due times.

- No single source of information for a particular procurement
- Lack of coordination between Procurement unit and user departments
- Requirement of many supporting documents from participating bidders
- Inability of bidders to follow specifications strictly
- Very lengthy process of purchasing anything

So we can see that there are many lacking in the procurement department. But basically the main problem is the purchasing process of the procurements. And all the problems are related to it. So I think there is a lot of scope to improve it.

### 3.7.2. Proposed purchasing process for Banglalink



**Figure 7: Proposed Purchased Process**

- a. User requirements: Firstly user should send a purchase order to the procurement. This PR should include all the information, like IC number, budget, specification about the product, when they will be needing it, if it is available in the warehouse, stock consumption report etc. So that by seeing the PR one can understand everything they need.
- b. Procurement checks: After getting the PR from the user, the procurement should check if all information is right, so it will be cross checked. Both technical and non-technical evaluation will be done once again.
- c. Place a RFQ: RFQ means request for quotation, procurement should give all the vendors and idea what they want and when they want specifically. Basis on these the vendors will give the procurement presentation and proposal with or without sample. This proposal should be given within the given time by the procurement, and the time should not be more than 3days.
- d. Send user the Proposal: After getting the proposal from the vendors, then these proposals should be sent to the user for evaluation without the price. The user should give technical evaluation about all of these proposals.
- e. Short out & negotiate: When the user will give the evaluation then the procurements will short out the supplier based on standard criteria. Then the procurements will negotiate with the selected suppliers.
- f. Make CS: CS means comparative studies, after the negotiation the vendors will submit final proposal. From the final proposal the procurement will make CS.



- g. Pass PO & get approval: Once all the CS is done, then the PO should be forwarded to the HOD of procurement and finance. Then get the pass and approval.
- h. Give notice to the user: When everything is finalized and all the approved are being taken, then the user should notify to collect the product. And then the user should receive the product as soon as they can.

So we can see that this is the whole process and there are only some steps of it. Like everything it has both advantage and disadvantage. The advantage and disadvantages are discussed later.

### **3.7.3. Disadvantages**

- There will be an initial cost because the company has to buy and install software part named GPS (Group Procurement System), which will keep all the records of the inventory and warehouse. It will also update the database continuously.
- Every department will have to recruit one person who will issue the purchase order. Because the new purchase order will include every specific detail.
- Again the new purchase order will contain the IC number, which is the budget pass, so the user should know about the budget and everything.
- There is less time for RFQ, so the vendors may find it difficult to participate within the limited time
- As the proposal will be sent to the user for evaluation without the price, so the user may be biased about any particular vendor, which is not good for the company.
- The HR will have train the employee about the new software which will cost the company.

### **3.7.4. Advantages**

The new process will have both financial and time constraint benefits. Though it will have a huge cost initially, but eventually it will help the process of procurements go smoothly. The benefits are discussed below.

- Once the software is launched successfully, the company and the procurements will know about the inventory status at any time.
- The average inventory turnover period will also reduce. Now inventory turnover is 65 days on average, it can be reduced to 38days.
- The whole process will need only 14 working days which is not very long.
- The purchase order will get checked twice, first when the order is placed by the user and second by the procurement. So there will be less chance of mistake for any specification.
- The GPS enables Banglalink to have continuous connection with the mother company. So the mother company will receive necessary information whenever they need.
- Previously the purchase order needed a long process which included accounts, budget check etc. But now these checks will be done when the purchase order is given, so it will be less time consuming.
- As there will be a person from every group for issuing this purchasing order, so it will be easy to keep track on purchase orders.
- As the employee will be given training on uses of the software, it will help them to be more efficient.

- As there will be every detail of warehouse, so there will be no risk of the inventory to be out of stock.
- These process will create centralized system, this system will help to keep track on reporting on requisitions, items purchased, orders processes and payments made etc.
- Compliance to policy is improved as users can quickly locate products and services from preferred suppliers and get the desired product when they need.

So we can see that this new process will have a lot of benefit for the organization. Though the company will have to change its policy a little bit about procurement, and will also have an initial cost, still the procurement process will go smoothly. And it will also take less time and have financial benefits. All information will be available and the company will also have knowledge about everything about warehouse, stock of the product, every purchase order etc. Even the mother company Veon will have the access of the information. So in the long run the company will be benefited by the new project.

## 3.7.5. Financial Benefits

### 3.7.5.1. Current & Quick Ratio

For the buying corporation, current liabilities take turn for better by all of extended terms (as accounts payables increase). This impacts the current ratio (current assets / current liabilities) and the quick ratio (current assets -inventory / current liabilities). If the released cash is not utilized, ratios under 1 increase whereas ratios above 1 decrease. For scaled down ratios it can be argued that the release cash act as a security buffer. Often, the concealed prospect of SCF is to utilize the freed cash, which accelerate decreased ratios. In the action but that would oblige that the cash is not utilized, which is from day to day the underlying objective with SCF. For a mismanaged corporation, the added liabilities could have large consequence. Although the same amount goes out in expense, the buyer has to certify that it can cover its liabilities in case of a business disruption. It should nevertheless be emphasized that the time horizon of current liabilities is increased whatever in a continuous business status, it does not make a practical difference, against each individual day, the amount of liabilities due remains unchanged. An approximate change in ratio is given below for a project named “Monobrand”. All the figures are in thousands.

Current assets	350
Cash	50
Inventory	200
Other currents assets not displayed	100
Current liabilities	250
Accounts payables	150

Other current liabilities not displayed	100
<b>Current ratio</b>	<b>1.4</b>
<b>Quick ratio</b>	<b>0.6</b>

**Table 1: Illustration of how liquidity ratios can be affected by new process**

### 3.7.5.2. Cash Conversion Cycle Improvements

Decreasing Cash Conversion Cycle (CCC) means changing several or a combination of its components, DPO, DIO and DSO. However, changing these principles, *ceteris paribus*, probably have indisputable implications. Decreasing DSO may result in degrade sales and profits, as customer value is reduced when their budget is limited. Decreasing DIO by lowering inventory levels is associated with a risk of losing sales and reduced service levels and customer satisfaction. DIO could further be improved by decrease lead-times but it is consistently associated with large investments. Increasing DPO pose a supply risk. Extending terms shift costs and financing needs to suppliers, creating a preferably financially unstable supply base. The advantage of new process is clear; DPO can be added, with working capital improvements as a result, meanwhile mitigating the risks of a traditional forced payment extension. So new process reduces the CCC, which is good for the company. A quick comparison is given bellow.

Days Payables Outstanding (DPO)	60
Days Inventory Outstanding (DIO)	57
Days Sales Outstanding (DSO)	55
<b>Cash Conversion Cycle (CCC)</b>	<b>52</b>

**Table 2: CCC with current process**

Days Payables Outstanding (DPO)	60
Days Inventory Outstanding (DIO)	40
Days Sales Outstanding (DSO)	55
<b>Cash Conversion Cycle (CCC)</b>	<b>35</b>
<b>CCC decrease</b>	<b>32%</b>

**Table 3: CCC with proposed process**

## 3.8. Conclusion

Banglalink Digital Communications Limited is one of the leading multinational telecom agencies in Bangladesh. I had the possibility to participate in this organization throughout my internship. This internship program has helped me to discover new horizons of enterprise surroundings.

The operational intention is being completed via the improvement of providers' control gadget whilst specializing in their supply chain departments' development. In Banglalink the contract, procurement, logistical, warehouse & inventory techniques are treated by the supply chain management department. If the company needs to acquire any products and/ services, the procurement unit of Banglalink supply chain branch has to follow a procedure including diverse steps. In beyond this branch has to stand issues and binding even as working on their system due to miscommunication with their providers and help from the alternative departments. There were many challenges and problems in this department, but every time the procurement has faced that challenge very strongly and succeed to overcome those problems. Because changes according the new business world is welcomed in Banglalink.

In a nutshell I need to mention, it became a satisfaction for me to work in Banglalink. In my opinion, Banglalink and its employee crew maintain corporate excellence and professional attitude in every sphere of its enterprise operation which permits Banglalink to preserve and emerge as an organization of human beings choice.



# **Chapter four: Supplementary part**

## 4.1. References

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## 4.2. Appendix

### 4.2.1. Appendix A

#### Glossary

- **Greenfield:** Where towers are setup in the middle of a field is known as Greenfield.
- **Rooftop:** It is the area where towers are setup on the housetop of a building.
- **Purchase Request (PR):** It is an approval for the procurement department office to obtain products or administrations. It is begun and affirmed by the division requiring the products or administrations.
- **Purchase Order (PO):** It is a business record issued by a purchaser to a vender, showing the sort, amounts and concurred costs for items or administrations the merchant will give to the purchaser. Sending a PO to a provider constitutes a legitimate offer to purchase items or administrations.
- **IC Number:** It contains the budget pass of the purchase order. If this number is valid it means that the budget is passed for this document.
- **Comparative Statement (CS):** It is a statement which follows a consistent format and covers different periods of time. It also shows the price that every vendor have suggested. So it helps the procurement departments to take decision.
- **Proforma Invoice:** It is a document that expresses a guarantee from the merchant to offer merchandise to the purchaser at determined costs and terms

## 4.2.2. Appendix B

- **Current ratio:** The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities. The current ratio is also known as the working capital ratio.
  - **Formula:** Current Assets / Current Liabilities
  
- **Quick ratio:** The quick ratio is an indicator of a company's short-term liquidity. The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. The quick ratio measures the dollar amount of liquid assets available for each dollar of current liabilities.
  - **Formula:** (current assets – inventories) / current liabilities
  
- **Cash Conversion Cycle:** The cash conversion cycle (CCC) is a metric that expresses the length of time, in days, that it takes for a company to convert resource inputs into cash flows. The cash conversion cycle attempts to measure the amount of time each net input dollar is tied up in the production and sales process before it is converted into cash through sales to customers. A shorter cash conversion cycle is good for the company.
  - **Formula:** Days Inventory Outstanding + Days Sales Outstanding - Days Payables Outstanding.