

INTERNSHIP REPORT





Inspiring Excellence

INTERNSHIP REPORT
ON
*“Overview of MO buying Procurement Process
and Contribution to the company value chain”*
OF
Robi Axiata Limited

SUBMITTED TO:

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Letter of Transmittal

August 06, 2017

Mrs. Tanjina Shahjahan
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Subject: “Submission of Internship Report “

Dear Madam

Here is the internship report on “Overview of MO buying Procurement Process and Contribution to the company value chain in Robi Axiata Limited and its various aspects. The report has been prepared on the basis of practical experience and secondary data of Robi Axiata Limited specially a keen look on Overview of MO buying procurement process of Robi Axiata Limited. I also followed your instructions and guidelines for preparing this report.

I would like to thank you for giving me the consent and opportunity to work on this report and I will also gladly attend any of your calls to clarify on any point.

With Thanks
Sincerely Yours

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Acknowledgement

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Table of Contents:

Chapters	Topics	Page Number
	Executive Summary	1
Chapter 01	Introduction	2
1.1	Origin of the report	3
1.2	Objective of the study	3
1.3	Scope of the report	3
1.4	Limitation of the report	4
1.5	Methodology of the report	4
Chapter 02	Organization Overview	5
2.1	History of Robi Axiata Ltd	6
2.2	Company Profile	6
2.3	Mission, Focus and Vision of Robi	8
2.4	Long term Vision	8

2.5	Product and services	9
2.6	Value Added Services	10
2.7	Current Market Position of Robi Axiata Limited	11
Chapter 03	Market Operation Buying Process	12
3.1	MO Buying Department	13
3.2	MO Buying Procurement Process in brief	14
3.3	Mo Buying Procurement Procedure in detail	16
3.4	General Principals	16
3.5	Existence of Frame Contract/ Schedule of Rate (SOR) Contract and Repeat Order	18
3.6	Minor Purchase Process	19
3.7	Comprehensive Competitive Bidding Process	20
3.8	General Process for any Competitive Bidding	20
3.9	Request for Quotation (RFQ) to be issued	22

Chapter 04	Value Chain	30
4.1	Value Chain	31
4.2	Value Chain of Robi Axiata Limited	32
Chapter 05	Overview of Marketing Spend Operation	34
5.1	MOB, Performance H1'17 Summary	35
5.2	Category Wise Savings	36
5.3	ATL Team- Media Agency Update	37
5.4	ATL Media- Other Achievements	38
5.5	BTL Snapshots	39
5.6	BTL Media- Other Achievements	40
Chapter 06	Spend Analysis	42
6.1	Spend Analysis for Major Spends	43
6.2	Summary	45

Chapter 07	Contribution to the company	48
7.1	Contribution to the company	49
Chapter 08	Current Challenge	50
8.1	Current Challenge	51
Chapter 09	Recommendation	52
9.1	Recommendation	53
Chapter 10	Conclusion	56
10.1	Conclusion	57
Chapter 11	Appendix	58
11.1	List of Abbreviations	59
11.2	References	60

Executive Summary

My three-month practical experience at Robi Axiata Limited helped me to prepare the report. To absorb about the practical scenario of a Telecommunication Company, I was helped by the internship program. Robi Axiata Limited is a vigorous and top nationwide GSM communication solution supplier. This one 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), inaugurated its setup in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications facility providers in Bangladesh. Far ahead, on 28th March 2010 the company began its original journey with the brand name Robi. My observation and experience gathered from the company helped me a lot to present the report. The organization owns numerous divisions and departments but the emphasis is set more on the procurement process Market Operation Buying Department.

This report references about the general procurement procedure of Robi and vendor supervision in Robi. After observing the picture of procurement procedure and vendor supervision of Robi Axiata Limited I came up with some recommendations. The report also contains recommendations and conclusion conferring to my point of view, which I consider would advance the organization in the next phases.

Chapter 01

Introduction



1.1. Origin of the report:

This report is a fractional prerequisite for the Internship program of BBA program of BRAC University. To get the student uncovered to the job sphere is the main purpose of internship. The main task was to convert the theoretical concept into real life experience being an intern. The internship program and the report ensure subsequent resolutions:

- ❖ To grow and establish explicit information on the job accountability.
- ❖ To practice the actual business sphere.
- ❖ To liken the actual situation using the lessons possessed in BRAC University.
- ❖ To accomplish the requirement of BBA program.

This report is the outcome of three months extended internship program directed in Robi Axiata Limited and is arranged as a must for the conclusion of the BBA program of BRAC University. Consequently I need to submit this report constructed on the “Overview of MO buying Procurement Process and Contribution to the company value chain” at Robi Axiata Limited. This report also embraces on the products and services of Robi Axiata Limited, the summary of the organization and also what aspects they consider while choosing vendors for diverse resolutions.

1.2. Objective of the Study:

Broad Objective:

To acquainted with the Overview of MO buying Procurement Process and Contribution to the company value chain and the current issues and future challenges.

Specific Objectives: The broader objective may be broken down into further specific objectives enlisted as follows:

- To get familiarity with the Procurement Practices of Robi Axiata Limited.
- To have a clear and depth view of Procurement Policy and Practices of Robi Axiata Limited.
- To see how efficiently Robi Axiata Limited manages its Procurement
- To have a notion about the relationship of various suppliers with Robi Axiata Limited.
- To be acquainted with the pitfalls (if any) that exists in the overseas procurement o Robi Axiata Ltd.
- To find out the impact of the Supplier- Robi Axiata relationship on the business.

1.3. Scope of the report:

The scope of the report can be observed in two systems:

- General scope
- Specific scope

General Scope: The internship report is arranged mostly to accomplish the Bachelor of Business Administration (B.B.A) degree requirement underneath the faculty of Brac Business School, Brac University.

Specific Scope: More precisely, this learning involves the following features:

- To provide a summary of Robi Axiata Limited.
- To fathom and study the procurement procedure of Robi Axiata Ltd.
- To pinpoint the approaches and strategies for procurement supervision procedure
- To catch out block of their procedure with actual results to overcome the drawback.

1.4. Limitation of the report:

While preparing the report I faced only one major problem that is not able to exert my time properly. Besides competitive business environment like Bangladesh confidentiality of information is another impediment to depict the exact picture of Robi Axiata Limited in quantitative aspect.

1.5. Methodology of the report:

Target population:

For the study the target populations are –

- Internal employees.
- Vendors of the organization.
- Key executives.

Study Area:

The study shall be directed inside the organization to signify the procurement procedure of Robi Axiata Limited.

Data Sources:

Both primary and secondary sources of data have been collected for the information of the report. But the primary data are mostly used here. Informal interview with the employees facilitated to collect various sources of primary data. Secondary sources as well as numerous studies on Robi Axiata Limited of the website publications have been recycled for this resolution.

Chapter 02

Organization Overview



2.1. History of Robi Axiata Ltd:

Robi Axiata Ltd is the most progressive and leading countrywide GSM communication solution provider. This is a joint venture between Axiata Group of Malaysia and NIT DOCOMO Inc. of Japan. Axiata Group owns 93.7% regulating stake in the element while the rest of 6.3% is adopted by NIT DOCOMO of Japan. Robi Axiata Ltd was formally known as Telekom Malaysia international (Bangladesh) Limited and it started its operation and activities first in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunication service holders in Bangladesh. Then, later the company began its new journey with the brand name Robi on 28th March, 2010. Robi is genuinely a people-situated brand of Bangladesh. Robi, the general population's champion, is there for the individuals of Bangladesh, where they need and the way they need. Having the neighborhood convention at its center Robi walks ahead with advancement and innovativeness. Having effectively finished the merger procedure, Robi has developed as the second biggest cell phone administrator in Bangladesh with roughly 39 million dynamic su. The combined organization has the amplest system scope to 99% of the populace with more than 13,900 on-air destinations of which more than 8,000 are 3.5G locales. It supports 3G service, Camel Phase II & III as well as GPRS/EDGE service with high speed internet connectivity. Its GSM benefit depends on a strong network design and bleeding edge innovation, for example, Intelligent Network (IN), which gives true serenity arrangements as far as voice clarity, broad across the countrywide network coverage and numerous worldwide partners for universal roaming. It has the amplest Worldwide Roaming coverage in Bangladesh interfacing 550 administrators crosswise over 205 nations. Its client driven arrangement incorporates value added services, (VAS), superior customer care, easy access call center, advanced system security and adaptable tax rates. It supports 3G service, Camel Phase II & III as well as GPRS/EDGE service with high speed internet connectivity. With its qualities and capabilities created throughout the years, Robi expects to give the best quality service experience in terms of coverage and connectivity to its customers everywhere Bangladesh. Together with its one of a kind capacity to create nearby bits of knowledge, Robi makes particular services with nearby flavor to stay near the hearts of its customers. In 2015 Robi Axiata Ltd and Airtel finally decided to merge their operations and activities from telecom regulator. This footstep turned the combined entity into the second largest mobile operator in Bangladesh after Grameenphone, Robi will have a 75 percent stake in the merged entity and Airtel 25 percent, as indicated by the joint application marked by Supun Weerasinghe, CEO of Robi, and PD Sarma, managing director of Airtel Bangladesh, to the telecom regulator. Robi's 75 percent stake, 70 percent will be possessed by Axiata Group, Robi's Malaysia-based parent organization, and 5 percent by Japan's NTT DOCOMO.

2.2. Company Profile:

Name of the Company: Robi axiata Limited

Shareholders: Axiata Group Berhad and NTT DoCoMo

Bangladesh Head Office: Robi Corporate Centre, 53 Gulshan South, Avenue, Gulshan-1, Dhaka 1212; Bangladesh.

Year of establishment: 1997

Industry: Telecommunication

Technology Deployed: EDGE, GSM, GPRS, HSPA, 3G

Subscriptions: 39 Million (February 2016)

Position in the Industry: 2nd in terms of the number of subscribers and revenue after merging with Airtel Bangladesh

Network Coverage: 99% of the population (April, 2016)

Major Competitors: Grameenphone & Banglalink

Market Share: 35% (September, 2016)

Total Revenue: 41% (September, 2016)

Corporate Website: <http://www.robi.com.bd/>

Company Logo:



Objectives:

- ❖ A solid promise on the need of customers
- ❖ Hold down the high form of Ethical measures
- ❖ Enhance all work procedures
- ❖ Development of employee's learning and expertise
- ❖ Securing the nature of the administrations to coordinate that of competitors;
- ❖ Securing the brand image and position of company in the market

Purpose and Principles:

Purpose

To set a typical direction for new brand, a structure for all their strategic planning, the purpose statement is their desire for future. Robi's motivation is additionally to enable their customers. They guarantee that, "We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services."

The new brand is here to help individuals to enable and empower themselves to improve an existence. They strongly believe that, "We will keep our promises and deliver. We will innovate,

execute fresh ideas and, as a nationwide organization, we will be respectful of our customers and stakeholders.”

Principles

Principle proclamations define how people need to carry on for one another in the organization. The. Proclamations need aid something like how those organization will esteem customers, Vendors, and the inner community.

Robi also accepts that regardless of the thing that they would should figure it out their purpose, they hold themselves responsible of the accompanying directing principles that those manner for them. They are as follows:

- ❖ Showing **respect** to everyone
- ❖ Being **loyal** by action, being **enthusiastic** and **innovative** all we do
- ❖ Trying to keep stuffs **straight** and **simple** in the direction we exercise stuffs
- ❖ Being **moral** and **transparent**
- ❖ Clarifying **distinctive** and **collective** proprietorship
- ❖ Exercising a **clear** culture in communication

2.3. Mission, Focus and Vision of Robi:

Mission:

Robi means to accomplish its dream through being number ‘one’ not just As far as market share. As well as by being an employer for decision with up and coming information and items geared to address those regularly evolving necessities of our steady country.

Focus:

Axiata will be centering for not barely creating a talent pool for the group and its subsidiaries but progression arranging to enter positions in the Robi. Robi leadership project keeps eye on seven fields about leadership skills- key thinking, business acumen, output orientation, client orientation, people management, coalition fabricating and personal qualities.

Vision:

Robi’s vision is always to keep eye on its customer’s needs furthermore to scheme accordingly. It will screen those improvements about technology and updated self on meet customer need.

2.4. Long term Vision:

Robi determinedly accepts that subscribers are their most important assets. They have a solid customer service center. Being continuously with their customers the Robi "Help Line" is there. Robi has effectively migrated with another switch for higher capacities in terms of pleasing higher customer base furthermore and also t let them use every last one of essential supplementary benefits under GSM technology. Robi Axiata Ltd expertise and experience need

aid recognized for the business. Need and demand will be developing every last one of time, not essentially to the services it recently provides, but for magnificent and more different services and best quality performance. Its pace is quick, rewards are high and work is of consistent test. They presented the both-way national 12 roaming all through their network coverage. The Prepaid services with upgraded features have been industrially started effectively and now they are taking a few activities to aggregate more progressed technological highlights in their network. Regarding Network Quality, the organization will guarantee not just the instrument are of world class standard however more importantly its size or limit is taken into account the privilege dimensioning of client base, all together not to confront the issues of drop calls or clog. All these are done through legitimate arranging, control and schedule support program. They keep up the benchmark for giving the quality services. They screen these through producing customary reports and on location survey. On the off chance that there are any weak signals or a call drops, the gifted designers are giving administrations round the clock to determine the issue right away. This is the most critical key asset factor in Robi Axiata Limited. Robi has productive human asset. Also, its choices depend on certainties from statistical surveying and scope review. In addition, the above goals must be accomplished through the perfect individuals. Robi has put its sharp eyes in building up its representatives through appropriate preparing, as they trust that the most imperative resource for Robi Axiata Constrained. So they are guaranteeing quality services by quality people. Robi has the arrangement to offer chance to each family in utilizing cell benefit in the nation at the competitive price giving unparalleled quality service and customer care.

2.5. Product and services:

Robi offers a variety of various bundles. Notwithstanding offering the basic pre-paid and post-paid mobile services, it offers an extensive variety of value added included products and services, for example, SMS, GPRS, EDGE, International Roaming SMS banking, Caller Ring Back Tone, MMS, Voice Welcome, Call Blocking and Bengali SMS. Robi has the vastest International Roaming coverage among every one of operators in Bangladesh.

Prepaid and Postpaid:

Prepaid:

Robi Prepaid has everything to offer; a solitary package that conveys effortlessness and adaptability at a similar time. Robi Prepaid is persistently adding new components and plans to

give supreme opportunity to the customers. Robi has the single prepaid package with the best rates in the market. Also, there are diverse tariff plans in one package to meet distinctive sorts of requirements of customers. There are moment, simple and numerous migration service from one tariff plan to another. A 13 customer can have 5 FnF to any operator mobile with one Robi partner facility there is full BTCL network with FREE BTCL incoming. There is extended and simplified refill validity for simplicity and flexibility. In addition, there is across the country EasyLoad service and high speed internet all accessible Value Added Services (e.g. SMS, MMS, Goon Goon, ringtone, wallpaper, games, and animation download) are accessible in the service. Customers can recharge their Robi Prepaid by utilizing scratch cards and Easy Load services.

Postpaid:

Post-paid service also is offered by Robi; alongside the different packages. Robi Push Mail is a protected, solid and feature rich email resolution at price customers can afford. Currently, customers can work as though at their desktop from anyplace. Customers can know their bill data through Web Bill, E-Bill, SMS, USSD and Customer Care Center.

- **Scratch Card Auto Debit Easy load Bank**
- **Customer Care Center**

2.6. Value Added Services:

- Music – ROBI Goon Goon, radio, Song Dedication, Listen & dance
- Entertainment – WAP, MMS, Voice portal, Kid zone, Cricket world
- Downloads – Ringtones, Animations, Wallpaper, Games
- Internet & data service – Browsing pack, Internet pack, Modem and recently introduced 3G internet package.
- Messaging – SMS, MMS, Voice SMS, SMS Dedication, International SMS, Greetings
- Community & Chat – Voice chat, SMS Chat
- Information service – Breaking news alert, Instant news, Stock information, Directory, Aroti portal, Ibadat portal, Emergency helpline, Haat- bazar
- Mobile assistance – Call block, Missed Call alert, Phone backup
- Education & Career – BBC Janala, Job portal
- Lifestyle – Bazar, Directory, Women Zone
- Finance – Stock information, M Pay, Bill Payment
- Balance transfer & Request
- Call management – FnF , Conferencing, call waiting, divert, holding, forward
- Facebook

2.7. Current Market Position of Robi Axiata Limited:

Robi Axiata Limited is the second largest mobile service provider in Bangladesh. Right after merging with Airtel Bangladesh the current subscribers of this organization is now 39 million. The all BTS (Base Tower Station) of Robi and Airtel are currently converting into 3G and almost 80% conversion is done. Moreover 65% revenue comes from the CDC market (Chittagong, Dhaka and Comilla) and Airtel is focusing more on urban areas (youth). But Robi and Airtel are trying level best to focus the whole country to provide the best efficient network.

Robi Axiata Limited almost completed the domestic roaming between Robi and Airtel network which will give the company extra mileage over its competitors. Robi also selects ALU's (Alcatel Lucent) motive OSS portfolio to enhance customer experience in Bangladesh. ALU is basically a technical solution to enhance customer's experience. This motive of dynamic operation portfolio creates a clear path for service providers to migrate to the cloud by making their operational infrastructure as agile as the virtualized network and data center. Besides with the current market momentum of Robi new customer acquisition, the company is targeting to acquire 5% additional share in next one year.

Chapter 03

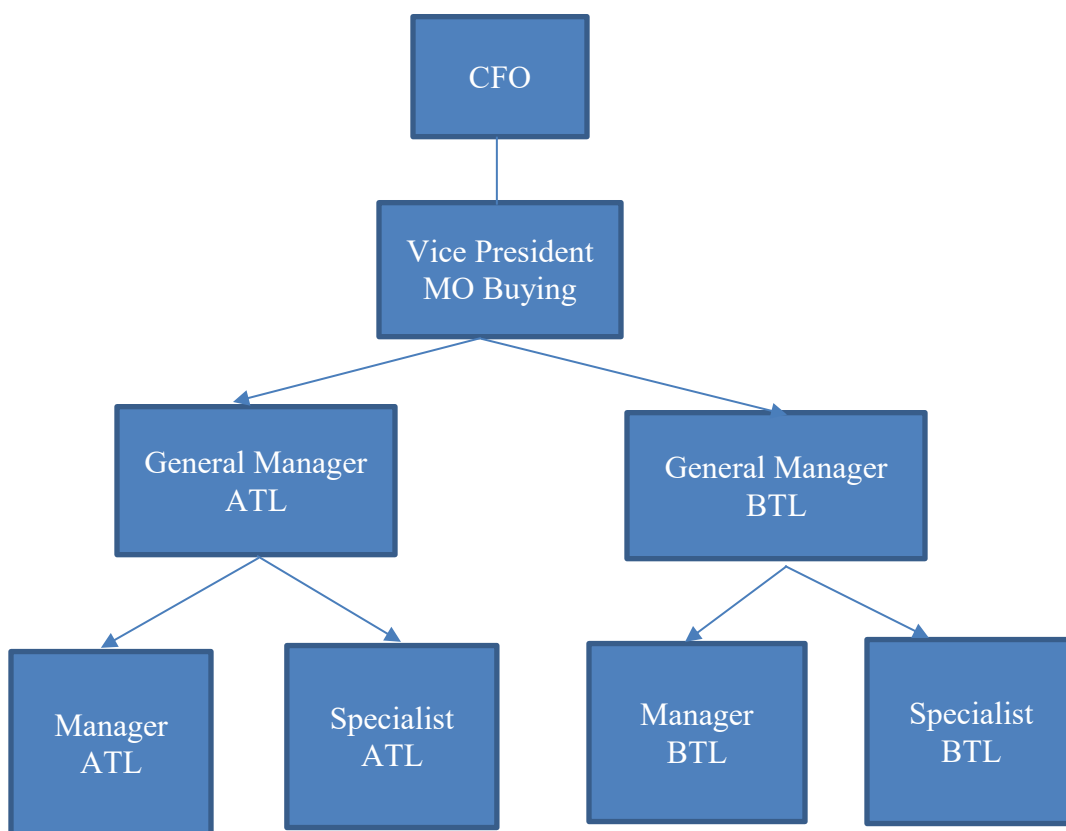
Market Operation Buying Process



3.1. MO Buying Department:

In the year 2012, this department was found. Earlier it used to be under SCM department, but later on it has been detached. Media Operation Buying department is again consisted of two components one is named as ATL and the other one is named as BTL. These two components experience the commercial procurement. The procurement process of both departments SCM and MO Buying is alike. ATL and BTL execute procurement for unlike resolutions. TVC, Newspaper advertisement, Events, sponsorship, campaign, and out of home activities which include billboard, pole signage and site branding which fall under the ATL procurement process. Whereas, sim card, scratch card, T shirt, diaries and other print activities are performed by BTL procurement process.

The structure of this department is drawn below:

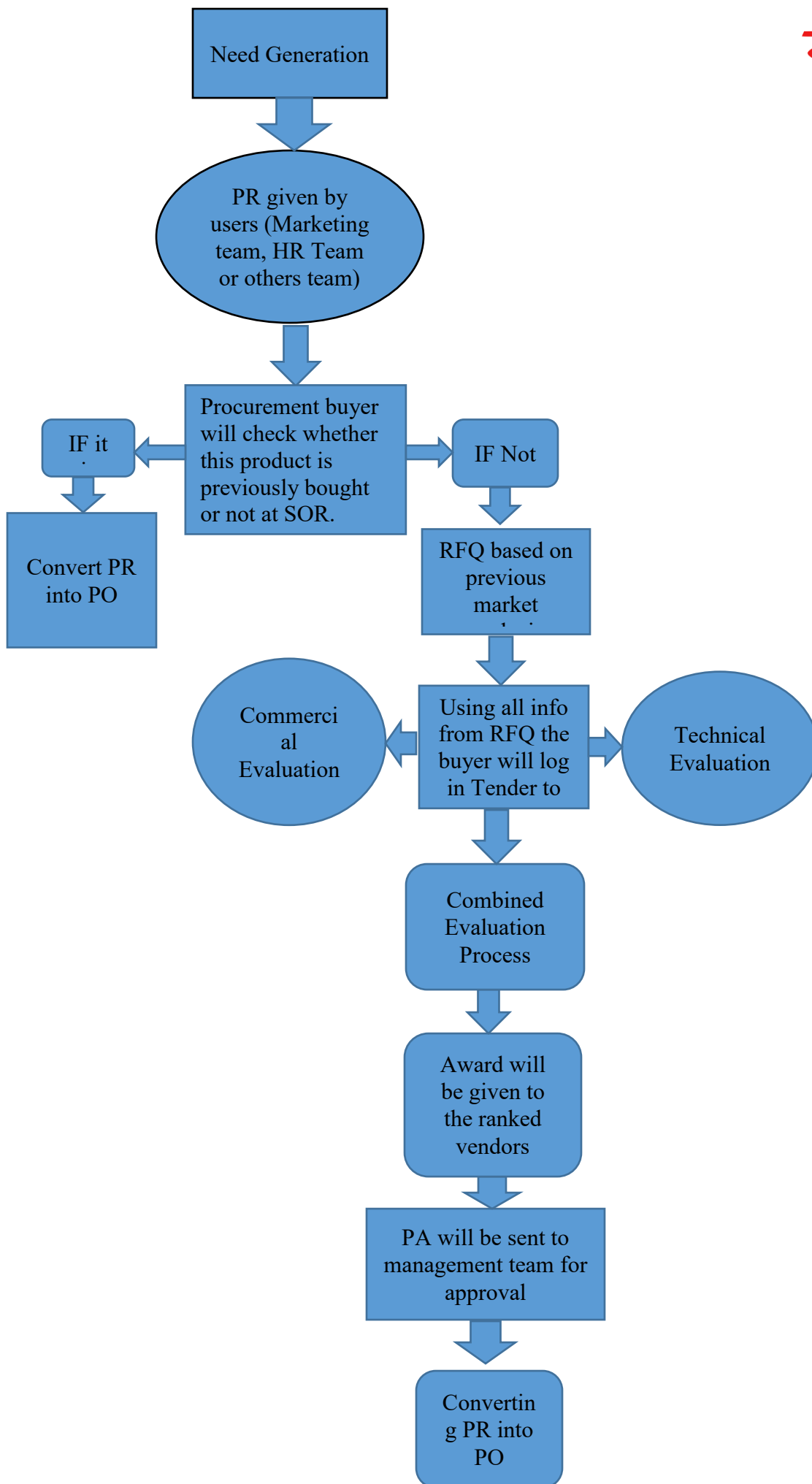


Job Responsibility: I was assigned with the department as an intern for 3 months and set for the responsibilities described beneath:

- Co-ordinate weekly meeting of cross functional team.
- Bill reconciliation of all media including TV, Print and radio.
- Profile screening of potential vendors based on the commercial criterion.
- Checking spend analysis of MO spends on bi-weekly basis.
- Preparing savings report in collaboration with respective buyers.
- Ensure proper documentation of major RFQ including gift item and other annual SOR.
- Timely update the database of RFQ, savings and delivery lead time.
- Communicating with vendor to ensure on time submission of bidding documents.
- Managing the daily PA signing accordingly to Robi LOA.
- Finding the deviation of spot dropping from Bill reconciliation of Media booking.

3.2. MO Buying Procurement Process in brief:

It causes from the need generation of the users. The users can be from marketing, human resource, technology or other departments. First of all the user will provide a purchase requisition which will include the details of the product, the initial value of the product, the negotiated value of the product, description of product/service and everything regarding the product/service and price. Then the market operation buying team members will try to find out that whether the product is previously bought or not. At that point they will crack the vendors and will repurchase the product or service in that schedule of rate. If these things do not take place then the buyers will go for the RFQ (Request for Quotation) process. RFQ means the formal invitation documents sent to the potential vendors to attend in the bidding process. A RFQ shall only be sent when the required goods or services are clearly specified and leaves little doubt for bidders as to what they need to quote for. Then which vendor will take place in the RFQ process it will be decided based on the previous market analysis, the recommendation of any potential vendors or from other information. Then the vendor screening will take place which will include the lead time, description of products, the commercial terms and conditions. Then after gathering the information, the buyers will sign in into tender.mo (An internal website) to find out the quotations or offers along with the necessary database they received from the vendors. At that moment commercial evaluation will take place in between the vendors to choose the offer among all. Right after that a short technical evaluation will be followed based on some parameters. Undergoing both evaluations, the best vendor will be chosen to award for a contract or agreement. And the contract can go long if there is a chance of repeat purchase from the vendor. The procurement procedure of MO Buying is drawn below:



3.3. Mo Buying Procurement Procedure in detail:

The acquisition of goods and services is named as procurement. Procurement shall contribute to profitability, quality, development and value creation for Robi, by securing a predictable and adequate supply of Goods and/or Services at best achievable market rates and conditions. The processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion are often defined by the corporations and public bodies. This procedure shall secure compliance with Robi Procurement Policy and elaborate how different activities and procedural steps in the Procurement process shall be handled, and thus secure the right balance between cost, performance quality and delivery time within all procurements of Robi.

Objectives:

- Ensure that right Goods and/or Services of the right quality and quantity are procured at the right price, at the right time and delivered at the right place, from the right source(s);
- Ensure transparency and visibility of all Procurement activities within Robi;
- Ensure all Procurement activities are carried out by Procurement personnel, unless otherwise delegated by virtue of this procedure;
- Ensure that compliance and integrity are maintained in all Procurement activities and procedural steps and transactions by way of truthfulness and integrity;
- Ensure to hold down a high inventory turnover;
- Ensure to maintain a good partner relationship with reliable vendors only;

Scope:

Robi Procurement procedure shall govern all Goods and Services supplies (tangibles and/or intangibles) to Robi, regardless of whether these are OPEX or CAPEX. This procedure applies to all divisions and staffs of Robi. This procedure may be updated from time to time according to Group Procurement updates/local needs in alignment with Robi Procurement policy. This procedure also includes appendixes that may be separately updated from time to time in alignment with Robi Procurement policy and procedure. Approval of any changes to Procurement procedure shall be governed by Limits of Authority.

3.4. General Principals:

- ❖ Procurement shall adopt and adhere to the guidelines according to the Limits of Authority (LOA).
- ❖ Any act of splitting the Procurement requirement/transaction with the intention of avoiding the requisite authority level is strictly prohibited.
- ❖ Procurement Committee(s) [Procurement Evaluation Committee (PEC) or Procurement Steering Committee (PSC)] shall be established at Robi to recommend any Procurement to the relevant approving authority in accordance with the Procurement Committee's Terms of Reference and corresponding LOA.
- ❖ For any Major Purchase, a representative from Group Procurement shall be part of the Procurement Committee and Group Procurement shall be involved in the following stages of bid process, including but not limited to:
 - ✓ Determining the mandatory requirements prior to bid document sign-off;
 - ✓ Technical and commercial evaluation;
 - ✓ When it is felt necessary by Group Procurement.
- ❖ All Robi employees must ensure that any Procurement activities are carried out by the authorized Procurement personnel. No Procurement activities shall be carried out independently unless otherwise mentioned or delegated in the procedure.
- ❖ Members of SLT, ESLT and relevant Managers shall ensure that all employees are aware of and comply to the procedural requirements as set out in this procedure; and plan and maintain a 12 month spend plan and quarterly rolling update of their projected requirements to support Procurement objectives and compliance with the procedure.

Procurement Phases:

Pre Award Procedures:

Need Analysis and Specification, Scope of Works and/or Services

Procurement process always starts with the occurrence of a need of a certain Goods and or Services. It is important to acknowledge that all communication regarding the identified need is a part of the Procurement process and need to be documented.

User Department shall always verify the need by checking existing stock or solution. If there is a reason to believe that the identified need can be covered through existing inventory or solution of

the already purchased Goods and/or Services, this possibility should be examined thoroughly before taking any further step in the Procurement process.

User Department is responsible for specifying the identified and verified requirements in a written Performance Based Specification. If Performance Based Specification is not possible, the alternative specification models to be used are, in the order of priority, the following:

- 1) Standard Specification
- 2) Detailed Specification

The specifications and scope of works and/or services must be specific and clear in order to express what exactly is required from the Bidders.

The term “Mandatory” is used to express mandatory requirements, which, if not met, will eliminate a Goods and/or Services from consideration. The word “Must” or “Shall” are also used in the specification and scope of works and/or services to express what is Mandatory while the word “Should” is used in case of “Desired” or “Optional”

User Department will ensure all technical requirements are clearly defined and included in the specifications and scope of works and/or services to ensure equal and transparent technical evaluation process.

If the User Department and MOB does not have sufficient information to specify the required Goods and/or Services properly, an RFI must be issued to the prospective Supplier(s). Based on received information through RFI, User Department should be able to describe and verify the requirement in writing.

During specifying the requirements, User Department in consultation with SCM/MOB will consider the regulatory issues for engaging any foreign Supplier(s) such as country of origin/shipment, and payment etc.

3.5. Existence of Frame Contract/ Schedule of Rate (SOR) Contract and Repeat Order:

Upon receiving PR, concerned Procurement personnel shall check whether a Frame Contract exists in Robi. If a valid Frame Contract exists in Robi that covers the same or similar Goods and/or Services, a PO shall be issued to the actual Supplier according to sub-clause 7.3.1 (Registration of Purchase). If there a Group Frame Contract exists, a local Frame Contract may be executed with the said Supplier or its legal local representative considering the business benefits and complying with local rules and regulations.

Purchase Process when no Frame Contract/Schedule of Rate (SOR) Contract Exists

When no Frame Contract or SOR Contract exists, the following limits and purchase processes will apply:

Total Purchasing Value	RFQ Procedure when no frame contract exists
Less than or equal to BDT 0.15m or BDT 1.5 Lac	User department will directly from a supplier as per the Minor Purchase Process and Scope
More than BDT0.15m and up to BDT 20m	User department must contract SCM/MOB to perform a simplified competitive bidding process
More than BDT 20m	User department must contract SCM/MOB to perform a comprehensive competitive bidding process.

3.6. Minor Purchase Process (Value less than or equal to BDT 0.15m):

For Procurement values less than or equal to BDT0.15m (BDT1.5Lac) as defined in above Table where no Frame Contract exists and does not require technical review by specific department/unit, SCM/MOB will not be involved unless otherwise mentioned in this procedure. Capex items, for example- Telco items and IT capex items such as laptop, printer, photocopier, scanner, etc. are excluded from the scope of Minor Purchase. Only administrative Capex items that are required on adhoc basis and do not require any technical review by specific department/unit (for example- digital camera, cooling fan, projector, etc.) can be purchased through Minor Purchase. In this cases, user will specifically mention the category of expenditure as ‘CAPEX’ in the Advance Request Form for Minor Purchase and Financial Accounting and Management Reporting (FAMR) will ensure appropriate capitalization of the Capex items based on the original invoices/vouchers during advance adjustment. This type of purchase shall be followed by the appropriate authority for Procurement as per Limits of Authority.

Simplified Competitive Bidding Process (Value more than BDT0.15m up to and including BDT20m)

If no valid Frame Contract exists, and the requirement in question represents a purchase with a total cost between the amount limit as defined in Table, a Simplified Competitive Bidding Process shall be executed and documented by SCM/MOB. The process shall be completed as follows:

- ❖ Complete the simplified RFQ/bid document as developed and maintained by MOB;
- ❖ The completed simplified RFQ/bid document shall be sent to a minimum of 3 (three) Bidders. In cases where less than 2(two) potential Bidders alternative exists, or in case of any proprietary/single/sole sourced item, a prescribed Competition Waiver form has to be documented and approved;

- ❖ Received bid(s) shall be evaluated equally, and the Supplier(s) which offers an acceptable quality and delivery time combined with the lowest Price/TCO, shall be chosen;
- ❖ When a Supplier has been chosen for awarding a job based on the Procurement Approval as per LOA, a Contract may be signed considering the complexity of the Goods and/or Services, nature of the purchase, and associated risk to be procured and then under the said Contract.

3.7. Comprehensive Competitive Bidding Process (Value more than BDT20m):

If no Frame Contract exists, and the requirement in question is a purchase with an estimated total cost of more than BDT20m as defined in Table, then MOB together with User Department shall establish a CPT for preparing the “RFQ Planning and Strategy” document and RFQ documents and finalize the potential Bidder(s) list after analyzing Supplier market. The CPT shall be established prior to any contact with potential Bidder(s).

The CPT shall consist of minimum 2 (two) persons, with at least one person from MOB and one person from the User Department. The CPT may involve resources from other Department(s) considering the requirement of subject matter expert, as applicable. MOB is responsible for deciding the number of CPT participants.

3.8. General Process for any Competitive Bidding

Supplier Market Analysis:

Once PR is released, designated Procurement personnel shall check all the information and documents attached with the PR for its correctness and completeness. Upon checking and confirmation, concerned Procurement personnel will form CPT and CPT will prepare and sign off the “RFQ Planning and Strategy” document (where applicable), confirm specifications, scope of works and/or services, finalize RFQ/bid documents. Acting as Procurement coordinator, concerned Procurement personnel shall ensure all the Procurement procedural steps are followed including preparation of final Bidder list. Concerned Procurement personnel also ensure that distribution of equal information flow to all Bidders by maintaining a single point of contact and time schedules.

After or in parallel with specifying the Goods and/or Services to be purchased, the CPT shall perform a supplier market analysis. The purpose of this analysis is to identify qualified Bidders to secure a real competitive bidding process before issuing the RFQ.

In cases where only one or less than 2 (two) bidders exist, a supplier market analysis may not be required. Such a situation shall be documented through Competition Waiver form.

Robi encourages competition in its Procurement activities and use of Competition Waiver Form is strongly discouraged. Competition Waiver Form can be issued by MOB only for limited reasons as stated below:

- ✚ Where less than 2 (two) Bidders exist or in case of any proprietary/single/sole sourced item; Additional requirement of Goods and/or Services to complete any ongoing project with an existing Supplier under a Contract with Robi;
- ✚ This is an Emergency Purchase as defined in the section 5.0 which is duly approved as per LOA.
- ✚ Competition Waiver Form for any other reason than mentioned above shall be considered as an exception and shall be raised by User. However, for certain activities, Competition Waiver shall not be required where these are deemed non value adding activities from procurement end or non-procurement in nature and shall include but not limited to below:
 - Single source item; Sole supplier
 - Event sponsorship considering single sourced and unique proposal
 - Sponsorship for Universities/Educational Institutions, Job Fair, Government Bodies, Regulatory Bodies, Public Offices, NGOs etc.
 - Off-site event i.e. Board meeting, Management meeting etc.
 - Other non-procurement activities as recommended by business function CXO and approved by CFO and/or CEO

Any Competition Waiver Form shall be approved by CFO or CEO as per their respective authority limit. For CEO approval, Competition Waiver form must be recommended by CFO.

Prequalification of Supplier(s):

Prequalification of Supplier(s) shall be performed when potential Supplier(s) are new or unknown to Robi. The prequalification shall be validated if the Supplier(s) possesses the following as applicable:

- Technically qualified solutions;
- Legal documentation for company formation;
- The financial solidity to fulfill the delivery in question;
- Valid references from similar deliveries;

- Qualified under Robi's Health, Safety, and Security and Environment (HSSE) requirements (as applicable).

3.9. Request for Quotation (RFQ) to be issued:

Robi shall always approach the supplier market through a RFQ to at least 3 (three) potential Bidders when performing a competitive bidding process. SCM/MOB shall develop and maintain RFQ template(s) for both Simplified and Comprehensive Bidding process. The Comprehensive Bidding Process shall as a minimum always consist of:

- ❖ Invitation letter to Bidder;
- ❖ Instructions to Bidder (ITB);
- ❖ A Contract template containing (as applicable)
- ❖ Contract template with commercial provisions and required annexes;
- ❖ Specification;
- ❖ Scope of works and/or services;
- ❖ Support and maintenance (if applicable) and/or Service Level Agreement (SLA);
- ❖ Robi's Supplier Conduct Principles (SCP), if not signed earlier;
- ❖ A list of areas which will be taken care during evaluation process may be part of RFQ documents;
- ❖ Supplier's Relationship Declaration Form (SRDF)

- ❖ Employee Relationship Declaration Form (ERDF): All CPT or designated team members shall duly fill in and sign up ERDF. If relationship is declared by CPT/Designated team members in question, may be replaced by another member from the respective team. For Comprehensive Competitive Bidding process, it is mandatory to declare relationship with all the listed Bidder(s) though ERDF but for Simplified Competitive Bidding process, it is not mandatory to fill-up an ERDF, if no relationship exists with the listed Bidder(s).

- ❖ A list of evaluation criteria's with appropriate weightage's to be applied in the evaluation process. The respective User Department and SCM/MOB shall be responsible for developing technical and commercial evaluation criteria and set weightage respectively and in case of CPT, CPT will validate these evaluation criteria and weightage as per the evaluation guideline before floating/ issuing the RFQ. Where technical evaluation is not required that should be documented for future reference. The following criteria may be applied considering complexity of the Goods and/or Services, nature of the purchase and associated risk:

- ❖ Degree of compliance to the specifications;
- ❖ Degree of compliance to the ITB;
- ❖ Degree of compliance to the Contract Terms and Conditions;
- ❖ All cost elements in a standard TCO model;
- ❖ Delivery lead time;
- ❖ Supplier discount, credit and payment terms;
- ❖ Financial situation;
- ❖ The reliability of the Supplier;
- ❖ Bidder’s signing of Robi Supplier Conduct Principles (SCP);
- ❖ Ability to deliver according to required specifications, scope of works and/or services;
- ❖ Possible change-costs when shifting from an existing Supplier to a new Supplier;

- ❖ Quality and standard of the solution (in comparison to industry/ international standard) with a well-defined product roadmap;
- ❖ previous track record of the Supplier (successful implementation records other than Robi)
- ❖ User Departments are responsible for providing clear and concise technical evaluation criteria at the time of RFQ/bid request. These evaluation criteria should be jointly agreed upon with concerned Procurement personnel.

Technical Evaluation criteria must be based upon the technical requirements detailed in the specifications, scope of works and/or services documents. All technical evaluation criteria must be included in specifications, scope of works and/or Services documents as well as technical terms and conditions.

Technical Evaluation criteria must be objective and transparent. Technical evaluation criteria ensure that the Procurement of Goods and/or Services meets the complete technical requirements of User Departments and Robi receives the best quality Goods and/or Services at the best cost.

List of documents for different competitive bidding processes are:

Documents	Simplified Competitive Bidding Process	Comprehensive Competitive Bidding Process
Invitation letter to bidder	Optional	Mandatory
Instructions to bidder (ITB)	Simplified ITB template	Comprehensive ITB template

A contract template containing (as applicable)- <ul style="list-style-type: none"> • Commercial provisions • Specification • Scope of supply • Robi supplier conduct principles (SCP) 	Optional ✓ If no contract template is issued with the ITB than general PO terms and conditions need to be issued.	Mandatory
Supplier Relationship Declaration Form (SRDF)	Optional	Mandatory
ITB acknowledgement and confidentially declaration form	Optional	Mandatory
Supplier Information Form (SIF)	Mandatory	Mandatory
Bid opening Log	Mandatory	Mandatory
Statement of commercial compliance form	Optional	Mandatory
Statement of technical Compliance (SOTC) Form	Optional	Mandatory
Bid Question and Clarification Form	Optional	Mandatory
RFQ Planning and Strategy Document	Optional	Mandatory
Negotiation Planning and Strategy Document	Optional	Mandatory
Competition Waiver Form	Mandatory	Mandatory
Notification Letter to Successful Bidder	Optional	Optional
Regret Letter to Unsuccessful Bidder	Optional	Optional

AWARD PROCEDURES

Evaluation of Received Bids:

All bids received within the time limit set in the Instructions to Bidder (ITB) shall be evaluated by the CPT/designated team member(s) in an objective way. All bids shall be treated alike and the evaluation shall always be performed according to pre-defined technical and commercial evaluation criteria and weightage as stated in the RFQ Planning and Strategy Document as well as other documents (if RFQ Planning and Strategy Document is not applicable). A bid opening log shall be created in documentary form when bids are opened.

The technical and commercial evaluation of the received bids shall be performed parallel or separately by different CPT members/designated team member(s) and the evaluation information shall only be disclosed to all the CPT members/ CPT members/designated team member(s) when making the final evaluation.

If applicable, the TCO or Cost model, or similar, shall be used when evaluating the commercial offer.

Short Listing of Participated Bidders

The participated Bidders shall be short-listed according to their degree of compliance to Contract and RFQ terms and conditions along with the evaluation score as per the pre-defined evaluation criteria and weightage (combined scoring or pass/fail or TCO method as defined during in the RFQ Planning and Strategy Document and/or other documents (if RFQ Planning and Strategy Document is not applicable).

Handling the Negotiation Process

SCM/MOB Head shall appoint the leader of the negotiation process. In case of any delegated Procurement activity to another internal Department, respective Head shall appoint the leader of the negotiation process for the said Procurement activity/case.

The responsibilities of the leader of the negotiation process (as applicable) are:

- ✚ Appoint the negotiation team which shall include members from CPT;
- ✚ Ensure that the negotiation team is properly prepared and that a negotiation strategy is decided, including:
 - ✚ Assessment of the opponent's participants and their positions;
 - ✚ Assessment of the Supplier's financial situation and its fiscal year dates;
 - ✚ Own strengths and weaknesses;
 - ✚ A defined goal for the negotiations;
 - ✚ Decide the role of the participants in the negotiations;
 - ✚ Appoint responsible members for taking minutes of meeting from each negotiation meeting.

Negotiation team leader will be responsible for effective negotiation in terms of cost, quality, delivery etc. along with other relevant terms and conditions including retention money, Liquidity Damage (LD) and performance bond/guarantee in all applicable cases. In case of LD, concerned buyer will give effort to maximize the damage claim.

Purchase Recommendation:

After a Bidder has been chosen by the CPT or any designated team, a written evaluation report with recommendation shall be issued to the concern authority in accordance with the LOA who will make the final recommendation to the responsible entity with authority to make the final decision.

The selected Bidders shall be awarded through an approved Letter of Award/PO/Contract. Bidders that are not awarded will be notified in writing after the Procurement approval note is signed-off by appropriate authority as per LOA.

Debriefing Meeting with Non selected Bidders

A debriefing meeting may be conducted by SCM/MOB and User Department, if requested by the Bidders, who was not awarded.

POST AWARD PROCEDURES:

Registration of Purchase

Authorization of Contracts and POs shall follow the Limit of Authority (LOA) of Robi. The Concerned Management of Robi may delegate the authority for approving Contracts and POs to a nominated person through a Delegation of Authority as per the provisions of LOA.

Purchases shall be registered as a Purchase Order in the SAP. All purchases shall have a reference to the actual Contract and/or the Purchase Order.

Storing of Bid Documentation

All documentation from the bidding process shall be stored in the document management system in electronic and, if applicable, in physical form and according to Bangladesh laws.

Supplier Relationship Management (SRM)

SCM/MOB shall develop and maintain a structure for its Supplier Relationship Management activities that gives direction of how MOB should classify its Suppliers and how each group of suppliers shall be managed.

Contract Management

All relevant Contract documents, including all enclosures to the RFQ documents, submitted proposal/quotations, evaluation, awarding documents and a copy of the final Contract signed by the Supplier(s) and Robi shall be archived by the respective Procurement Team/Contract Management Team, as applicable.

Contract Management team of SCM shall develop and maintain a Contract management process (including Contract addendum, amendment, extension, renewal) and Contract request check list to ensure the Contract compliance which has been accomplished by SCM and MOB.

Amendments and Renewals of Contracts

SCM is responsible for timely amendment to and renewal of any Procurement related Contract (which has been accomplished by SCM and MOB before). SCM will notify the User Department, at least 3 (three) months before the date of expiration for receiving due confirmation of extension/renewal/termination from User. Confirmation by User Department will be given within 2 (two) weeks after receiving Contract expiration notification and SCM shall make the said renewal and/or amendment in due time to avoid delays in Purchase Ordering.

Upon receiving a Contract renewal and/or amendment request from User Department, concerned Procurement personnel will check the possibility to initiate a fresh RFQ to ensure benefits for Robi considering present Supplier market as well as Procurement cost.

Contract Suspension or Termination

Any Procurement related Contract (which has been accomplished by SCM and MOB before) suspension or termination shall be performed by SCM by written and numbered documents in co-operation with the Supplier and User Department. Termination of an existing Contract before the end of the Contract period shall be performed as per the Contract provisions.

Contract Closeout

Any Procurement related Contract (which has been accomplished by SCM before) will be subject to formal closeout. Closeout process will certify assessment of Supplier's work performance, HSSE (if applicable) and completion of all deliverables, defect rectification, if any, and that all Claims and payments have been settled. The process will also record actual savings made. Closeout process should be run generally at the time of Contract expiry.

DELEGATED PURCHASE

SCM/MOB Head may propose to delegate any partial or complete Procurement activity to any User Department/Division addressing the reasons and justifications to CFO. CFO shall verify, recommend and forward to CEO for approval.

Such delegation shall at least contain a reference to the Procurement activity delegated, scope and time. Delegation of one or more Procurement activities does not imply any exception to the Procurement procedure. SCM or any other designated Department may audit, check compliance and make necessary changes accordingly to the delegated responsibilities as and when required.

EMERGENCY PURCHASE GUIDELINE

An Emergency Purchase is a purchase that can be made only when an emergency situation occurs where it requires immediate response from the company to restore or address the situations as mentioned but not limited to below conditions:

- ✓ Natural disasters i.e. earthquake, flood, storm, tsunami etc.
- ✓ Situation/event that is unpredictable or beyond the company's control and affecting service delivery
- ✓ Network corrective action such as replacement of air-conditioning units, batteries and others, which is deemed critical to maintain network serviceability

- ✓ Vandalism incidents where intrusion into Robi Network Base Station that lead to loss of critical equipment and support system

For an Emergency Purchase, User/SCM/MOB as appropriate should find an appropriate source and then direct the vendor to proceed. An emergency occurring outside working hours or during working hours when time is of the essence (for example, natural disasters) could warrant such action. User may contact vendors directly to resolve emergency situation/purchase by informing SCM/MOB as appropriate where expenditure approval to be done as per LOA. However, lack of planning does not constitute an emergency. If any/all of the procedural requirements as mentioned in this procedure could not be possible to follow during emergency situation/purchase, should be regularized immediately and no more than 2 weeks from the date of occurrence.

Respective User Department should develop a Disaster Management Plan in line with Business Continuity Management of Corporate Strategy within 30 days of the Emergency Purchase and/or situation to avoid any similar situations in future.

DEVIATION HANDLING

Deviation from this procedure shall mean that it is not possible to follow the procedure in cases of Simplified Competitive Bidding or Comprehensive Competitive Bidding Process considering the exceptional nature of the Procurement.

In case of exceptions where it is necessary to bypass each or any of the procedural actions as defined in this procedure, concerned Department shall raise approval note addressing the reasons and justifications to CFO. CFO shall verify and forward to CEO for approval. The bypassed action(s) must be documented and regularized within 15 days. However, it is necessary that such exceptions shall not contradict with the provisions of Robi Procurement Policy. SCM/MOB Head shall immediately report any material or significant breach to CFO, CFO shall propose appropriate actions and/or whether sanctions are required and shall be approved by CEO.

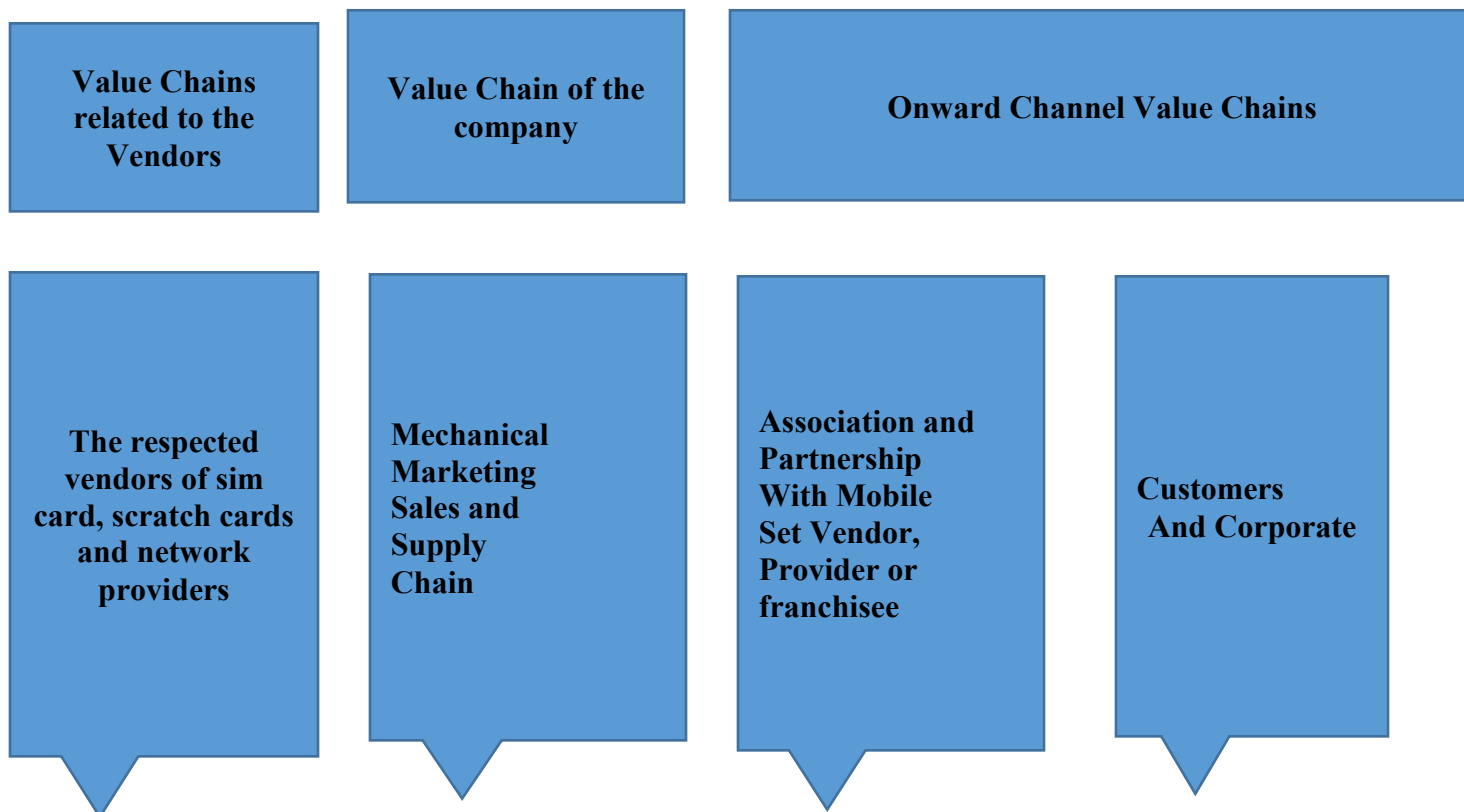
Chapter 04

Value Chain



4.1. Value Chain:

To know exactly how to manage a value chain analysis, a business must at first recognize what its value chain stands for. A value chain is the full series of actions with strategy, invention, marketing and delivery, businesses drive through to carry a product or service from idea to delivery. For companies that manufacture goods, the value chain begins with the raw materials in the habit of making their products, and consists of everything that is extra to it before it is sold to customers. To ensure that those in charge of each stage of the value chain are communicating with one another, to help make sure the product is getting in the hands of customers as seamlessly and as quickly as possible is the goal of value chain management. The telecom industry and retail trade combine to provide value for the end consumer or shopper. The ultimate consumer is the final arbiter on value. For this reason an analysis of the supply chain has to include a reverse perspective, starting with the end consumer or the shopper, moving back up the supply chain through the trade, along a “demand chain” of orders for products and services. For each of the separate players in the value chain, the objective is to maximize value, while satisfying the needs of the others. Within the chain, value is determined every time a product or service is bought or sold. The price at which a product is sold is determined by competition on both demand and supply sides. The supply chain is a fundamental part of the value chain. It is understood as “an integrated process throughout a chain of activities from supplier through to customer and then to consumer”. It is an *extended* supply chain, combining the activities of both manufacturers and the trade. It extends beyond the boundaries of the company to include suppliers and customers. The supply chain differs from the value chain by concentrating on the activities, costs and values related to supply, leaving aside for instance intrinsic brand or product attributes (taste, convenience, etc.) and subjective. The structure of a value chain includes the Value Chain of a company along with the value chain of its vendors and its distribution channel remain involved in attainment its products or services to its end users. The competitiveness in end users market needs that the company managers appreciate the complete value chain scheme for distributing a product or service to finish users of the company’s own value chain.



4.2. Value Chain of Robi Axiata Limited

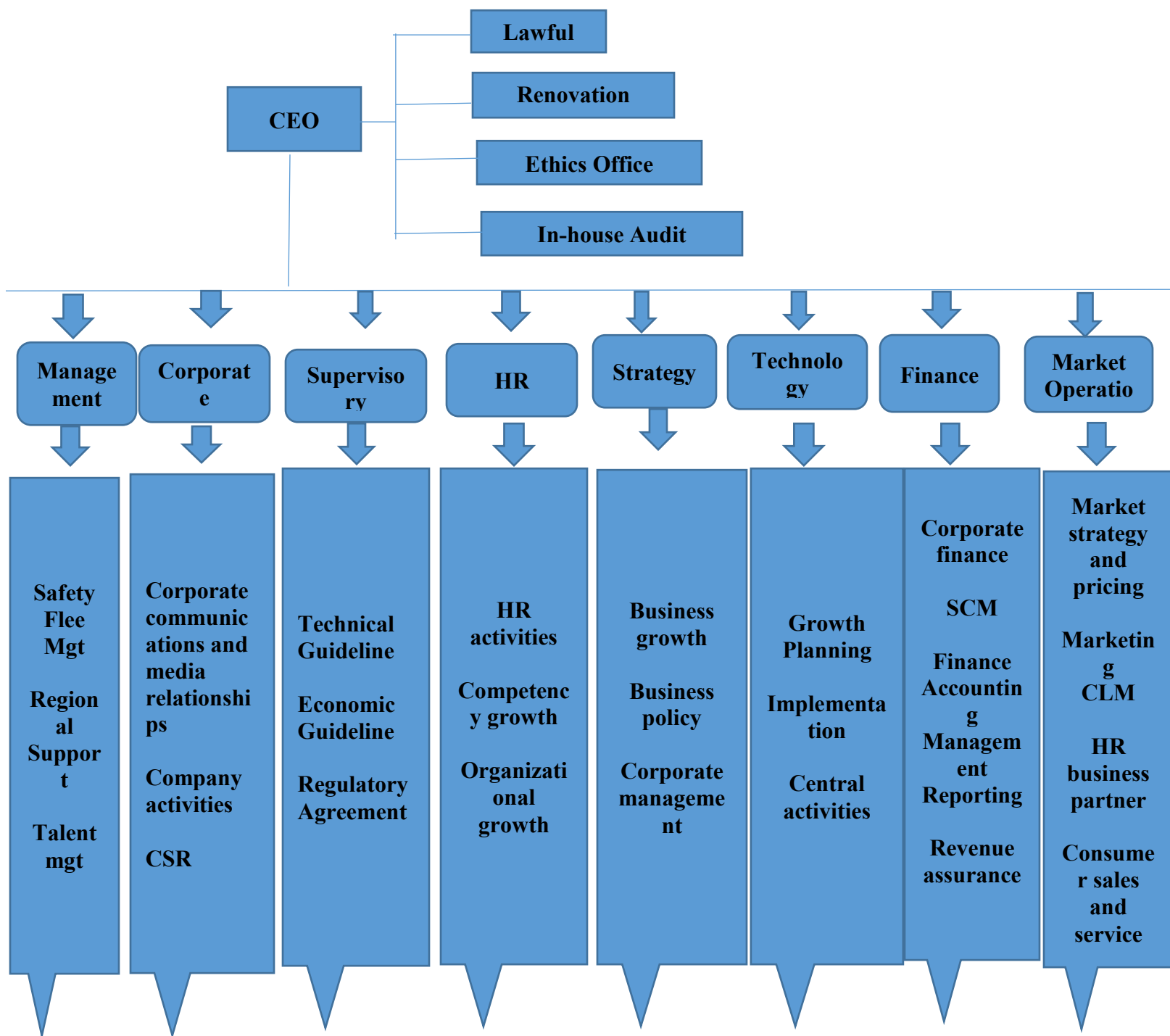
Organization Structure of Robi:

The organization is controlled by its Chief Executive nominated as the Managing Director commended with general accountabilities of business track of the organization and foremost with dynamism to the accomplishment of its determination and values. In achieving the determination and values, the Chief Financial Officer, General Managers & department Heads supports the MD. Robi has recognized a durable and challenging sales channel, which contains of straight traders and its own transactions force.

Divisions & Departments of Robi Axiata Limited:

Robi is functioning with following Divisions and Departments taking its formation in various sites at Dhaka, Chittagong and other areas of Bangladesh.

The organization construction of Robi is drawn in the beneath organogram:



Chapter 05

Overview of Marketing Spend Operation



5.1. MOB, performance H1'17 Summary

**603.60 MN
Reduction**

Cost Reduction savings of **25.28%**. Key contribution from SIM Card, Scratch Card, ATL Media Buying, Digital Media Buying & Digital POSM

**14 POs per
day**

Total **1,637 NO of POs** were issued in Jan-Jun. On an average, 14 POs issued per day followed by necessary negotiation and Approval



**289.61 MN
Avoidance**

Cost Avoidance Savings of **18.87%**. Key contribution from Handset Bundle, Managed Service, Activation, Creative Production & Media Innovation

**156
RFQs**

156 RFQs were approved on H1 '17. 23 Comprehensive, 128 Simplified and 5 Express RFQ. On an average it took only around 5 days to finalize a supplier after necessary management approval

Above mentioned numbers are exclusive of any value addition, VAS and other revshare savings

5.2. Category Wise Savings – Cost Reduction

Category Details	Total PO Value	Total Savings	Savings %
SIM Card	590,511,056	315,013,538	34.79%
Digital Printing	251,874,668	69,005,136	21.50%
Media TV & Radio	158,042,750	58,976,687	27.18%
Outsource/Managed Service	242,705,930	45,747,157	15.86%
Scratch Card	108,345,596	45,010,695	29.35%
Research	54,395,426	17,473,779	24.31%
Offset Printing	66,020,736	15,803,326	19.31%
Starter Kit	54,532,236	9,916,049	15.39%
Media Others	35,404,427	8,144,742	18.70%
Social & Digital Media	166,875,402	7,970,497	4.56%
Creative Production/Retainer	16,392,412	7,277,779	30.75%
PR Agency	2,835,000	1,630,270	36.51%
Gift Items	4,428,875	1,154,057	20.67%
Event	570,000	335,847	37.08%
OOH	300,000	82,166	21.50%
CSR	1,369,365	72,072	5.00%
Handset & Device	779,270	44,695	5.42%
Media Print	29,055,745	-56,141	-0.19%
Grand Total	1,784,438,895	603,602,349	25.28%

Cost Reduction is driven by SIM Card, Social Media, Outsource, Digital Printing, and Scratch Card & TV & Radio Media Investment

5.3. ATL Team:

Media Agency Update

Type	Agreement/Expectation as per RFQ			Achievement as per actual*		
	Investment	Expected Savings	Savings in %	Actual Investment	Actual Savings	Savings in %
Cost Reduction	267,838,998	72,021,907	26.89%	155,683,116	58,920,546	37.85%
Cost Avoidance				29,029,795	12,124,775	41.77%
Value Addition		15,294,444			26,619,650	
Agency Commission (Synergy Savings)	8,100,192	1,838,744	22.70%	6,261,448	1,421,348	22.70%
Total	275,939,190	89,155,095		190,974,359	99,086,319	

Creative Agency Synergy Savings

Brand Name	Last year Agency	Agency in 2017	Last Year	2017	Savings	Savings %
Robi	Adcomm	Adcomm	2,200,000	2,828,164	1,594,734	36.06%
	Bitopi		2,222,898			
Airtel	Asiatic	Bitopi	2,827,563	2,222,898	604,665	21.38%
Total			7,250,461	5,051,062	2,199,399	30%

* Media - Jan – Feb Investment was through Media Consultants Ltd.; No savings generated from Jan-Feb

* Creative - Last year Robi has three creative agency (Adcomm, Asiatic and Bitopi) for two brand; From June onwards Robi will working with two creative agency (Adcomm & Bitopi)

5.4. ATL Media – Other Achievements



Key Projects

- ✓ Media & Creative Agencies Selection
- ✓ Four major outsource projects including new suppliers i.e. COD, D2D, Noor, Kohinoor
- ✓ OBD Call center for outbound sales



Cost Savings – CR & CA

- ✓ Total PO Value – 5,581 MN
- ✓ Total CR Savings – 145 MN (22.12%)
- ✓ Total CA Savings – 168 MN (14.82%)



PR-PO-Payment Terms

- ✓ Total PO Issued – 432 NOS
- ✓ Avg. time to issue PO – 2 Days
- ✓ Payment Terms – 77% (65 days and above)

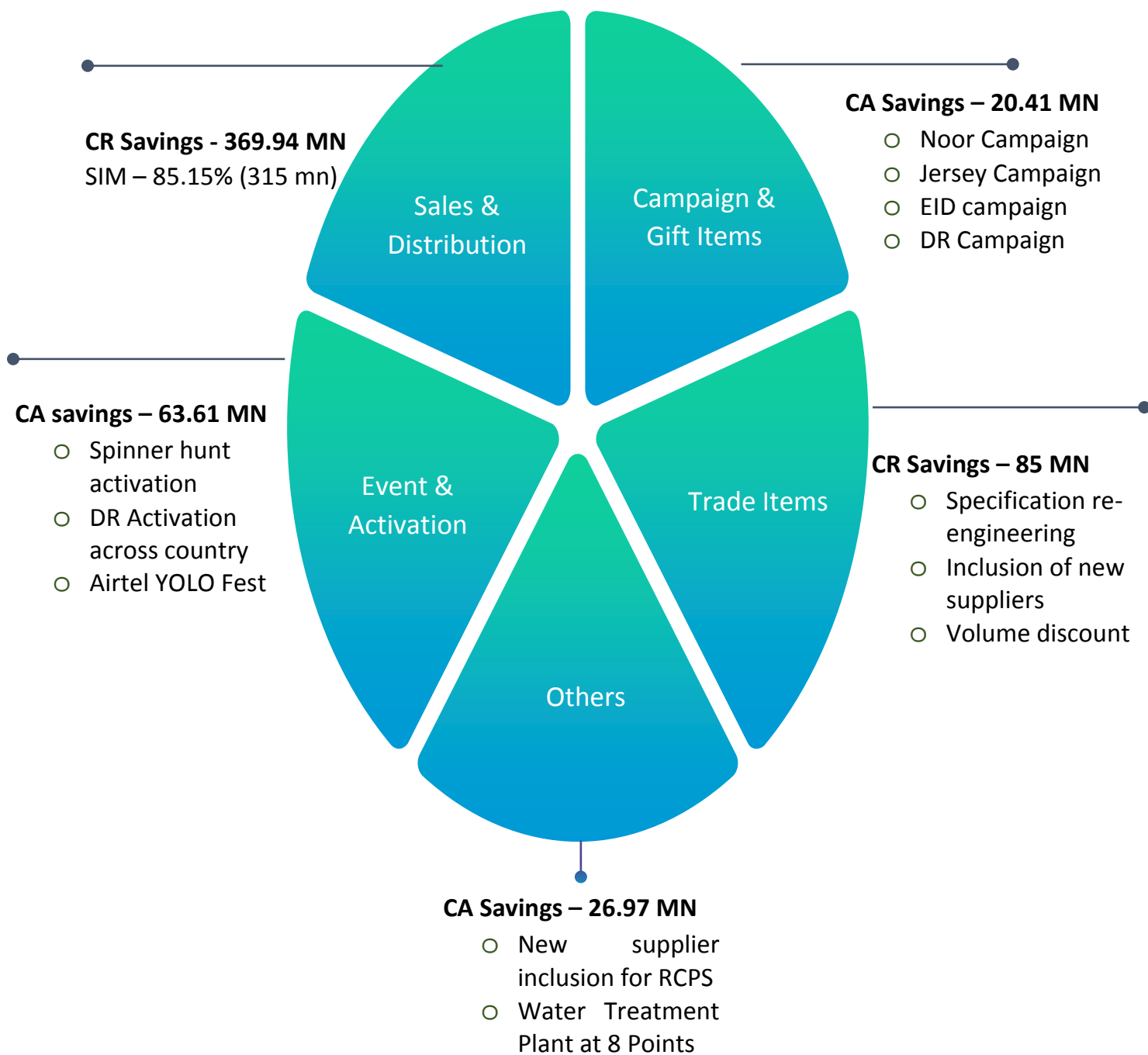


RFQ Achievement

- ✓ Total RFQ – 72 NOS
 - ✓ Express – 4 NOS
 - ✓ Simplified – 52 NOS
 - ✓ Comprehensive – 16 Days



5.5. BTL Snapshots



5.6. BTL Media – Other Achievements

Key Projects

- ✓ Extensive negotiation for S&D procurement i.e. combo SIM & Kit, 10 in 1 SC & 2 pages kit
- ✓ Dispute settlement for SC. 9.6 MN PIN as FOC
- ✓ DR activation procurement for approx. 200 pts across country



Cost Savings – CR & CA

- ✓ Total PO Value – 1,382 MN
- ✓ Total CR Savings – 454 MN (29.78%)
- ✓ Total CA Savings – 120 MN (29.95%)



PR-PO-Payment Terms

- ✓ Total PO Issued – 1048 NOS
- ✓ Avg. time to issue PO – 1 Day
- ✓ Payment Terms – 100% (65 and days above)*



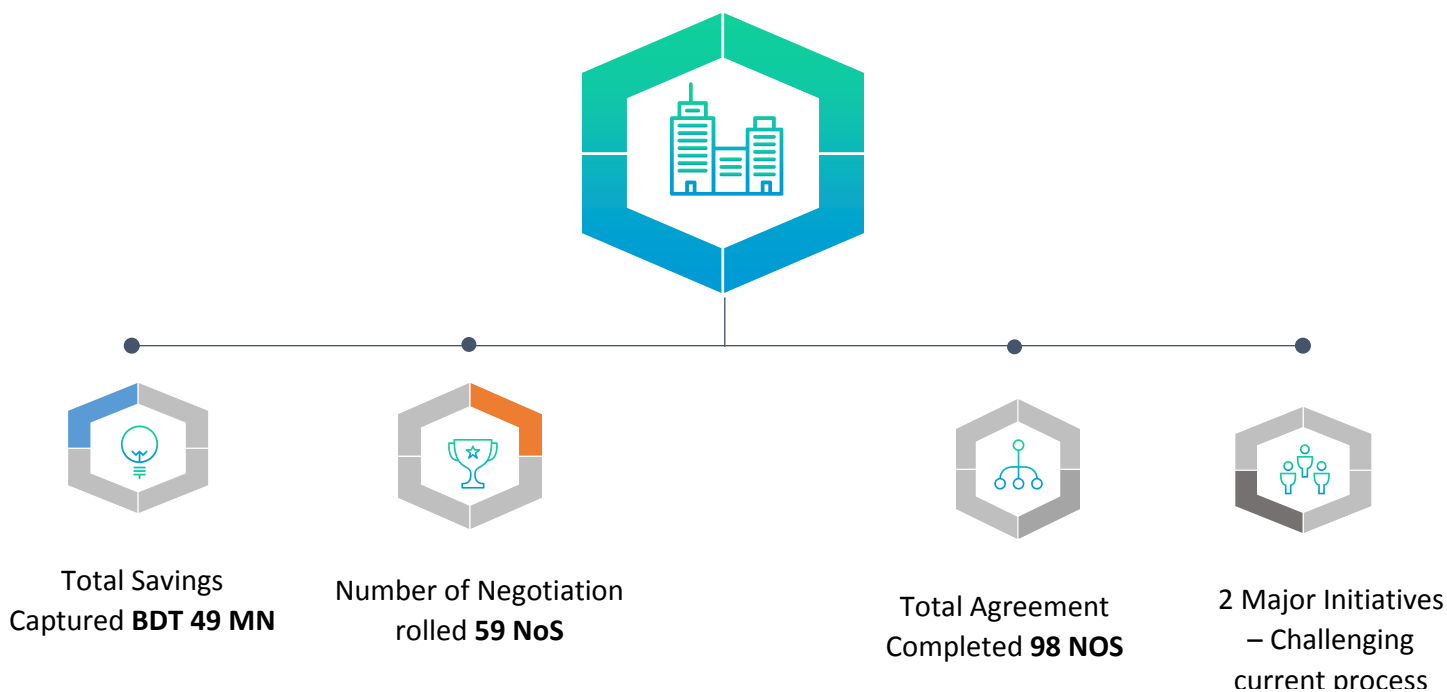
RFQ Achievement

- ✓ Total RFQ – 70 NOS
 - ✓ Simplified – 64 NOS
 - ✓ Comprehensive – 6 NOS



Social and VAS team:

Overall Performances last in 4 Months



Major Ongoing Projects

Product & BMC



- ✓ Emergency Balance RFQ
- ✓ Digital Buying Agency Selection
- ✓ Insurance package for customer

VAS Team



- ✓ Agreement with Opera for speed dial and Apps and Games
- ✓ On call Push message service
- ✓ Live Screen solution
- ✓ Gaming aggregator supplier selection

Digital Service



- ✓ Supplier selection for Ad Network Solution for Robi
- ✓ Entertainment content – Addatimes
- ✓ WAP gaming portal

Corporate Strategy



- ✓ Negotiation with Dialog for line Balancing solution
- ✓ Agreement with Guru L.K. for education aggregator solution
- ✓ Negotiation with NCing for RMG product

Chapter 06

Spend analysis



6.1. Spend Analysis for major spends:

SL No	Category	Vendor Group	PO Value	Percentage
1	Sim Card	Eastcompeace Smart Kid	144,923,860.05	51%
		Bumblebee Smart Card	39,254,175.10	14%
		Intelligent Card Ltd	95,744,975.10	34%
		Silkways Card and Printing	1,800,000.00	1%
2	Scratch Card	Eastcompeace Smart Card	1,690,000.00	2%
		Intelligent Card Ltd.	21,802,275.60	31%
		Silkways Card and Printing	38,985,824.64	55%
		Up Smart Cards Ltd	8,473,904.00	12%
3	Sim Kit	4G Print & Media Services	4,659,500.00	12%
		B.K. Printers	3,371,750.00	8%
		Bashundhara Printing Zone	3,308,800.00	8%
		Dot Line Printers	3,291,508.40	8%
		Dreamland Associates	4,269,200.00	11%
		M2K Printing & Packaging	6,363,500.40	16%
		Mars Telecom International Ltd	2,858,034.38	7%
		Moitree Printers Ltd.	4,172,499.20	10%
		Rahat Printers	3,225,744.40	8%
		Texograph	4,713,301.20	12%
5	Gift Item	CTMRS Events Limited	110,500.00	1%
		ctMRS Logistics	330,100.00	3%
		Dot Line Printers	294,000.00	2%
		Golden Leather Fashion	428,125.00	3%
		Little Planet Ltd.	416,300.00	3%
		M & M Associates	329,000.00	3%
		OnnoRokom Web Services Ltd.	960,400.00	8%
		RFL Plastics Ltd	960,000.00	8%
		SK Trade International	3,952,330.00	32%

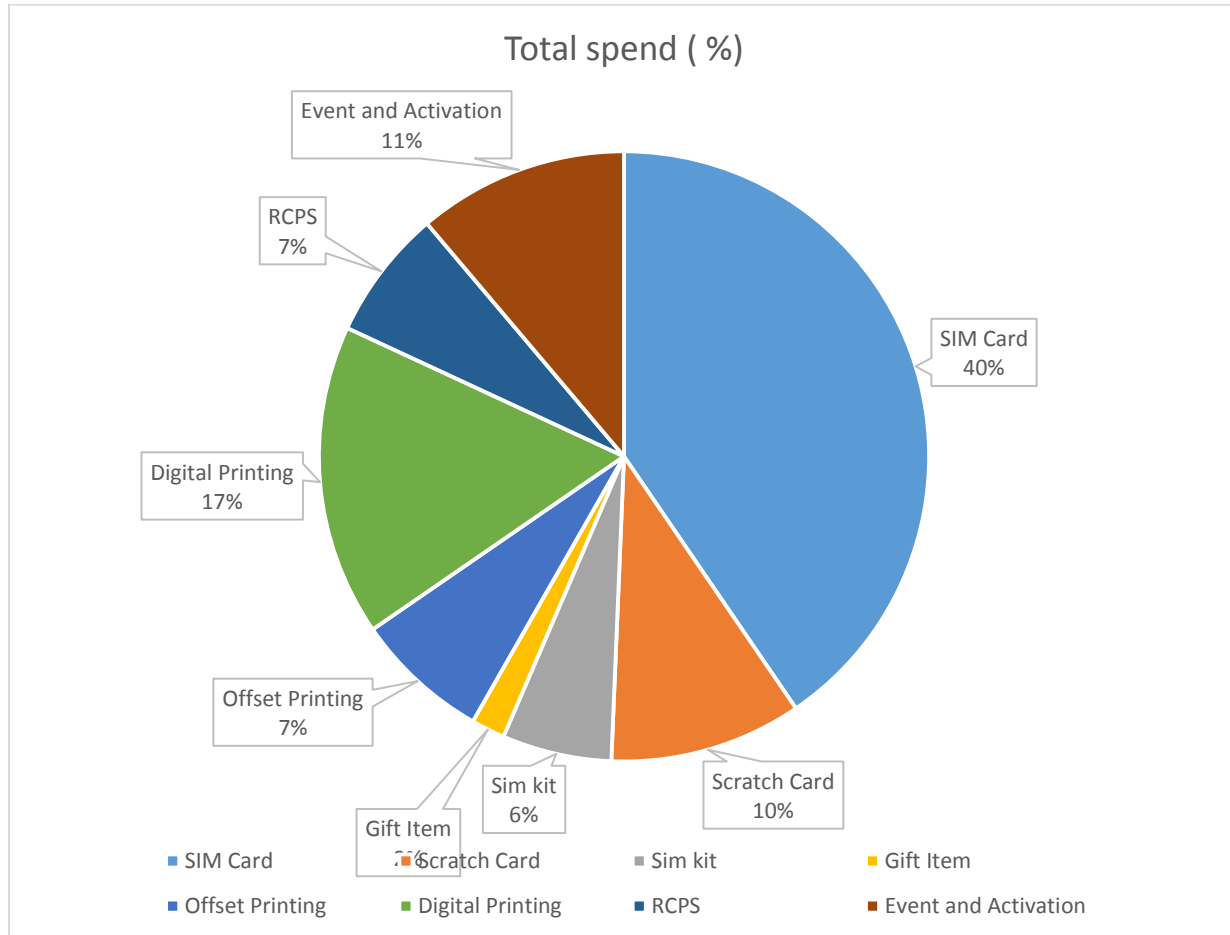
		Suave Logistics and Services LTd	432,000.00	3%
		Tool box Solution	3,855,000.00	31%
		Walton Plaza	343,840.00	3%
6	Offset Printing	4G Print & Media Services	784,750.00	2%
		Azad Art Hall	2,000,130.00	4%
		B.K. Printers	1,526,000.00	3%
		Bashundhara Printing Zone	10,582,929.50	20%
		Corporate Printers	952,340.00	2%
		Dot Line Printers	11,337,952.50	22%
		IMAGES	1,000,080.00	2%
		M2K Printing & Packaging	345,500.00	1%
		Marvelous Printers Ltd.	2,398,776	5%
		Minerva Offset Printing Press Ltd.	2,004,952.00	4%
		Moitree Printers Ltd.	7,639,036.64	15%
		Oboni Printers Ltd	2,746,061.60	5%
		Orchid Printers Ltd.	2,173,231.66	4%
		Sign World	2,000,009.00	4%
		Texograph	4,239,525.10	8%
7	Digital Printing	AD Rupashi Bangla	6,803,570.00	6%
		Art Sign (Pvt.) Ltd.	17,246,823.75	15%
		Azad Art Hall	10,285,610.00	9%
		CMYK Digital Ltd.	6,358,150.00	6%
		CTMRS Events Limited	175,500.00	0.152%
		IMAGES	24,435,667.00	21%
		Marvelous Printers Ltd.	410,000.00	0%
		Naseem Plastic Industries Ltd.	13,291,584.00	12%
		Sign World	25,048,600.00	22%
		Signage	2,314,200.00	2%
		Vinyl World & Sign	8,942,400.00	8%
8	RCPS	Da vinci Corporation	19,700,000.00	41%
		IOE (Bangladesh) Limited	7,600,000.00	16%
		Life Yard Links Ltd.	5,200,000.00	11%
		The Safe works	6,800,000.00	14%
		Quantico Systems		16%

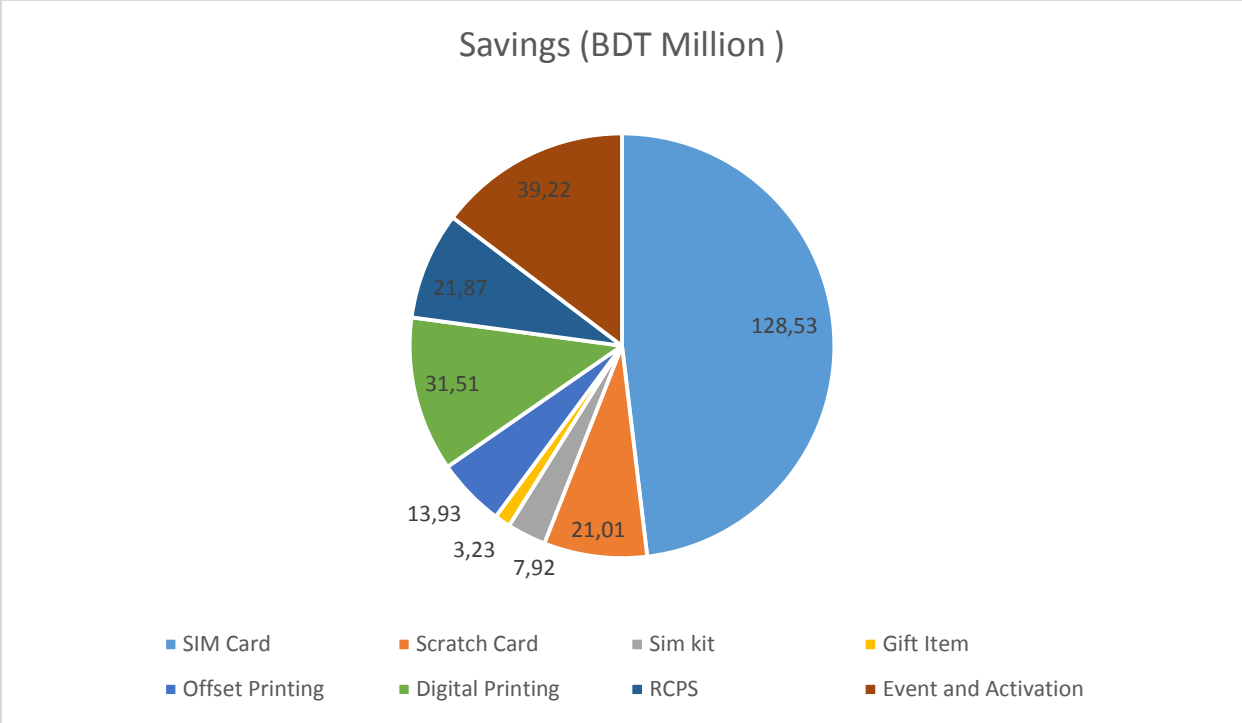
		Ltd.	7,600,000.00	
		Devnet Limited	1,200,000.00	2%
9	Event and Activation	Asiatic Events Marketing Ltd	13,743,794.45	18%
		Backstage Entertainment	344,080.00	0.44221%
		Bangladesh Cricket Board	10,132,676.01	13%
		Blues Communication Limited	543,481.95	1%
		CTMRS Events Limited	5,552,334.00	7%
		Grassroot	1,625,715.00	2%
		Grassroot Communication Limited	461,978.00	1%
		Innovative Creation Ltd.	1,874,414.00	2%
		Level Crossing Limited	3,637,941.00	5%
		M And M Associates Ltd	6,541,315.00	8%
		Market Access Providers Limited	7,156,158.20	9%
		Pixel Search Advertising	12,823,642.52	16%
		Suave Logistics & Services Limited	13,371,341.53	17%

6.2. Summary:

SL	Category	SUM Of PO	Savings
1	SIM Card	281,723,010.25	128,539,163
2	Scratch Card	70,952,004.24	21,010,346
3	Sim kit	40,406,637.98	7,927,086
4	Gift Item	12,431,595.00	3,232,057
5	Offset Printing	49,771,274.00	13,933,518
6	Digital Printing	114,943,104.75	31,503,594
7	RCPS	48,100,000.00	21,870,503
8	Event and Activation	77,808,871.66	39,225,258

Pictorial representation of MO Buying spends H'1- 2017:





Chapter 07

Contribution to the Company



7.1. Contribution to the company:

Initiatives taken to bring benefit to the company:

- ✚ Analytical project valuation before going for any project
- ✚ Strategic, tactical and customized buying in place to ensure maximum buying efficiency
- ✚ Introduced every month MMM(Monthly Media Meeting) with the agency for review and prepare action plan accordingly
- ✚ Strategic negotiation and direct control on purchase for example 76% savings (i.e. 15 crore) came from BPL
- ✚ Process Up-gradation such as different media buying and reporting formats have been introduced
- ✚ Started awarding other directors of TVC to bring more competition in quality and price
- ✚ Slowly establishing more transparent process and director's panel where other directors don't deprive.
- ✚ Negotiations are done through detail analysis of production heads ensuring excellence and quality in production
- ✚ Competition waiver from user for single director selection process
- ✚ Pre and Post evaluation and monthly reporting has been introduced.
- ✚ Only MO buying has the sole responsibility for price negotiation
- ✚ Ensured significant savings and value additions on brand visibility, exposure, engagement, media coverage etc.
- ✚ Aligning Market operation & Corporate Regulatory & Legal departments on sponsorship projects to ensure maximize benefits for Robi
- ✚ Analysis and Reporting formats has been developed along with MO and introduced to agency for more strategic analysis for digital
- ✚ Control and checking of proper resource utilization among users
- ✚ Different monitoring and tracking tools are used in regular basis
- ✚ The agency has been providing reports on TV, radio, press monitoring data to Robi where many false reporting had been identified by MO Buying and took necessary actions.
- ✚ Few subscription of media data price is fixed due to monopoly. But MO buying has managed to achieve substantial value additions and savings
- ✚ Inclusion of new vendors, sim and scratch cards category which bring 25% cost reduction from last purchase.

Chapter 08

Current Challenge



8.1. Current Challenge:

- ❖ No proper valuation of proposal
- ❖ Absence of long term business planning in the some of the spends(events, signage, media)
- ❖ Managing outsourcing for different project, scratch card quality problem, duplicate card, supply constraints from suppliers due to providing long term volume commitment.
- ❖ Lack of safety stock identification and identify re order point
- ❖ No proper post evaluation and monitoring in some of the spend
- ❖ No direct control and check over channels for rates and value additions
- ❖ There were no proper reporting on media tracking, monitoring and cost analysis from agency till now.
- ❖ Struggled over an year for agency selection and agreement
- ❖ Not very active and involved while urgent requirements came from user
- ❖ No methodical approach for project valuation and negotiation for time constraints
- ❖ Stakeholders buy in
- ❖ Lack of direct control
- ❖ Disagreements with vendors regarding terms and conditions of the contract payment concerns
- ❖ Long procedure of choosing vendors as well as awarding contracts
- ❖ Inadequate and late technical evaluation

Chapter 09

Recommendation



9.1. Recommendation

MO Buying is the integral part of the Robi's operation. The importance of MO Buying is indispensable to the company's objective, performance, business portfolio, amelioration etc. Despite the uncongenial environment, Robi has to take more initiative to trim the existing function and process that exist in the MO Buying. The wide array of the MO Buying activities needs to reshape its points where bottlenecks exist. If proper initiative can be taken then the pervasiveness of MO Buying activities will be more smooth and efficient one.

After analyzing the underlying facts we draw some recommendations that can facilitate the existing work process and functions and also give some hint to surmount the difficulties that are currently being confronted by Robi MO Buying which are enlisted bellow:

- **Increase MOQ:** Since most of the products and materials are imported from overseas it is obvious to consider the lead time meticulously for each and every products. The monthly order quantity (MOQ) is the key indicator for determining the ensuring materials .If the MOQ is determined by considering the probable demand forecast plan then the high lead time sometimes does have minimum impact in the ensuring supply. So, it can a wise decision to increase the MOQ for the regular items (SIM card, Scratch card) and materials which are consumed frequently in the production and market.
- **Supply Planning in Weekly Buckets:** As per current practice Supply planning analysis is conducted on monthly basis. In consequences more deviation is occurring in the demand forecast as well as in supply planning. There is a obviously possibility of being the maladjustment in supply planning as well as ensuring material delivery for production. If the Supply Planning conducted on weekly basis it will be easier to monitor and evaluate the planning and forecasting in a more efficient manner. So, management should introduce weekly supply planning analysis instead of existing monthly cycle.

- **Elimination of Documentation and Paper works:** The foreign procurement that is the import process involve huge documentation and other paperwork. Massive info has to be stored to conduct the day to day operation. Automated Software like A&P automation (currently in media) should be introduced in other spends and also the infrastructure facility has to be enhanced. Moreover separate MO Buying archive can be introduced apart from the Supply Chain archive.
- **Local Sourcing of Materials:** Some materials are not available in all season moreover the originated supplier resides far away from the country. As a result some materials are difficult to find at the time of urgency. Hence especial initiative should be taken in order to keep the arrangement of local sources with optimum quality. If possible then Suppliers can be developed in collaboration with Robi and the Supplier itself if the materials are regular one. So, for this purpose research and development initiative can be undertaken for long tenure.
- **Elimination of Procrastination and Bureaucracy in supplier selection Process:** The current supplier selection process is a lengthy process and there involve lots of bureaucracy in the process. The suppliers strength, resources, reliability, timeliness, other stakeholders are the prime criteria for selection. Very often the process take time to furnish the process of supplier visit, quality inspection, supplier's factory visit, approval of the supplier. Hence it will have an impact in the business to find the available suppliers on time. Robi should make the selection process shorter and also give all kinds of support for the amelioration of the suppliers.
- **People Development:** The organization should heed upon the development in its people through local and overseas training more frequently. So that besides the job a person can be excel himself or herself in the work process and contribute the company more and

more. So, Robi has to organize frequent training program for both on the job and off the job even more than the existing practices.

- **Integration among the stakeholders:** The various department's should be work altogether to excel the process. If any incompleteness exist in the process then it has a serious impact in the business process. So, integration should be needed among the Finance, product team, Sales, MO Buying , Warehouse operation in order to make a fruitful alignment in the Robi Axiata Ltd's operation. Every stakeholder should comprehend the urgency of the business irrespective of individual need and requirement.
- **Implementation of E-Auction:** This E-auction will result more visibility, less time consuming and efficient one whereby different suppliers also participate directly with Robi Mo Buying department.

The MO Buying is a fundamental part of the value chain. It is understood as “an integrated process throughout a chain of activities from supplier through to customer and then to consumer”. It is an *extended* supply chain, combining the activities of both manufacturers/suppliers and the trade. It extends beyond the boundaries of the company to include suppliers and customers.

If all the initiatives and recommendations can be implemented properly then we do believe that the existing work process will be improved and will be a efficient one and contribute the Robi Axiata Bangladesh a lot.

Chapter 10

Conclusion



10.1. Conclusion:

The finest class GSM service to its customers in Bangladesh is now provided by Robi. The regular purchase of sensitive telecommunication equipment, accessories and services achieve the ultimate operational goal. The MO Buying Department handles the procurement, contract management and inventory procedures in Robi. The Procurement unit of Robi MO Buying department has to carry out a systematic procedure consisting of various steps to procure any products and services. The personnel involved face various challenges and problems during this process. Different stages of the procurement process could be general or specifically related to the challenges.

The key overall challenges are lack of proper valuation, lack of long term business planning, lack of safety stock, improper post evaluation and lack of direct control, poor infrastructure, disagreements with vendors regarding terms and conditions of the contract payment concerns, long procedure of choosing vendors as well as awarding contracts and inadequate and late technical evaluation.

The key suggestions would be construction the administrative configuration of Robi, linking MO buying in type supervision as well as requirement projecting, providing more prominence to vendors' ideas, expressing satisfactory government guidelines and principles for the telecommunication area, discount of taxes on SIM cards, elimination of Documentation and Paper works, Implementation of E-Auction, Integration among the stakeholders etc. Hence, a joint effort of all stakeholders is mandatory to sort the Foreign Procurement System of MO Buying department Robi getting the global telecom ethics.

Chapter 11

Appendix



11.1. List of Abbreviations

ATL: Above the line

BTL: Below the line

BOQ: Bill of Quality

BTRC: Bangladesh Telecommunication Regulatory Commission

CFT: Cross-Functional Team

CSR: Corporate Social Responsibility

CEO: Chief Executive Officer

CFO: Chief Finance Officer

CR: Corporate Responsibility

CRF: Clean Report of Findings

ERP: Enterprise resource Planning

GR: Goods Received

GSM: Global System for Mobile Communication

ICT: Information and Communication Technology

KPI: Key Performance Indicator

LC: Letter of Credit

LCA: Letter of credit Authorization Letter

LIW: Logistics, Inventory and Warehouse

LOA: Level of Authority

PA: Purchase Approval

PO: Purchase Order

PPR: Purchasing Project Repository

LC: Letter of Credit

GRN: Goods Receipt Note

CEP: Capital Expenditure Proposal

PR: Purchase Requisition

QA: Quality Assurance

MRP: Monthly Running Plan

KPI: Key Performance Indicators

NPS: Net Proceed of Sale

CMI: Co Managed Inventory

COGS: Cost of Goods Sold

RIG: Real Internal Growth

ZOM: Zone Operation Management

SCM : Supply Chain Management

R&D: Research & Development

11.2. References:

- Abu Syead Md. Khairul Alam, General Manager, Procurement Robi Axiata Ltd.
- Rajeev Barai, General Manager, Media Operation Buying Robi Axiata Ltd
- Ashok Kumar Karmakar, Manager, Media Operation Buying Robi Axiata Ltd
- www.robi.com.bd

Cost savings/ Cost avoidance	(All)	
Row Labels	Sum of PO Value	Sum of Savings
CO1 (Gift Items)	12431595	3232057.029
CO2 (Sponsorship)	9262117.2	3675747.446
CO3 (Sponsorship)	631000	508000
MO3 (Digital Printing)	3430250	486864.9478
MO5 (Sponsorship)	760000	508300
MO6 (offset printing)	49771274	13933518.09
MO7 (Sponsorship)	48100000	21870503.38
MOA (sponsorship)	77143001.53	38723568.35
MOD (Digital Printing)	114943104.8	31503593.58
MOE (Sponsorship)	665870.13	501690.1202
MOO (Sponsorship)	5264419	0
TT1 (Sim Card)	281723010.3	128539162.5
TT2 (Scratch Card)	70952004.24	21010346.43
TT3 (Starter Kit)	40406637.98	7927086.279
Grand Total	715484284.1	272420438.2