Operation of Nascenia IT

Internship Report

On

Operation of Nascenia IT

Prepared for

Dr. Md. Mamun Habib

Associate Professor

BRAC Business School

BRAC University

Prepared By

Probal Chandra Barman

ID: 13304025

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14th September, 2017

Dr. Md. Mamun Habib
Associate Professor
BRAC Business School
BRAC University

Subject: Submission of Internship Report on **"Operation of Nascenia IT".**

Sir,

Here is the internship report on "Operation of Nascenia IT", which you have assigned in order to get a clear understanding over how to evaluate and analyze an organization's Operational and financial performance. I have tried my best to gather all kinds of relevant information, which could give an overall concept of this topic. I have practically worked in this section of the farm and have applied my knowledge of working here for preparing this report. I hope that it will meet your expected standard.

I have enjoyed the report very much. Especially, the given instruction for this report helped me a lot and made the hard work easier. I am submitting this report for your kind consideration and thanking you for your constant assistance and guidance.

Sincerely yours,

_____

Probal Chandra Barman
ID: 13304025

Acknowledgement

No work can possibly be completed by individual efforts alone. In every step of this study invaluable suggestions and support I am provided by many individuals and institutional experts. The entire report is based on information collected from the ongoing Operation of Nascenia IT.

Firstly, I would like to thank my honorable teacher, Dr. Md. Mamun Habib, for guiding me from start to finish. Also I would like to convey my special thanks to the CEO of Nascenia Limited, Shaer Hassan for guiding me as well as supporting me in every requiring moment. His support and proficient guidance helped me to sketch a perfect knowledge to gather. Finally, I would like to thank the Almighty for blessing me with strength and patience for completion of this three months internship program.

Executive Summary

Software and IT service industry in Bangladesh has crossed a long road over the last few decades. According to BASIS survey, there are over 800 registered software and ITES companies in Bangladesh. The total industry size is estimated to be around Tk. 1,800 crore (US$ 250 million). Approximately 30,000 professionals, majority IT and other graduates, are employed in the industry. The presence of high number of young entrepreneurs is one of the distinctive features of this industry. Nascenia IT is an award winning Software Company led by such a young entrepreneur and working for European and North American clients. They build cloud based web and mobile applications. In this report, I have shown various capital budgeting techniques and its implications in the project evaluation of Nascenia IT. An efficient allocation of capital is the most important finance function in modern times. It involves decisions to commit firm's funds to long-term assets. Such decisions are tend to determine the value of company/firm by influencing its growth, profitability & risk. Splacer is one of our clients with five years of contract. In the first year, we will have to build website for them and in the subsequent four years, we will have to perform the maintenance of the website. In these years, if any changes are required by the system, we the Nascenia team will have to work accordingly. Every organization has pre-determined set of objective and goals, but reaching those objectives and goals only by proper planning and executing of the plans economically. Nascenia has its own set of goals and objectives. It has some fixed criteria to be fulfilled, in order to select the project. In the capital budgeting process, Nascenia mainly emphasize on the Net Present Value technique and the Profitability Index. But still, it calculates Internal Rate of Return, Payback period and Discounted payback period. The project Splacer has been accepted as it has positive (by a safe margin) net present value. It has a high profitability index of 2.86. Payback period and discounted payback period are 1.03 and 1.034 years respectively. The Internal Rate of Return of the project Splacer is also very high compared to the industry average and the company standard. The project Splacer is accepted from all possible techniques of capital budgeting.

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CHAPTER ONE: INTRODUCTION

.1   Reasoning of the Study:

Economic antiquity shows that development has started everywhere, even with the Information Technology and Software industry and its contribution towards the economy of Bangladesh. From practical knowledge, we will be able to know real life situations of Nascenia IT. Nascenia IT is an IT farm incorporated in the BASIS of The People's Republic of Bangladesh.

This report, "Operation of Nascenia IT", has been prepared to fulfill the partial requirement of BBA program. While preparing this report, I had a great opportunity to have an in depth knowledge of all the business activities performed by Nascenia IT.

1.1 Objectives of the Report:

General Objective

The leading objective of the report is to sketch the real life experience in terms of scenario of Operation section of an IT farm through "Operation of Nascenia IT".

Specific Objective

- ❖ The Project study is undertaken to analyze and understand the Operation process in IT sector and E-commerce site, which gives mean exposure to practical implication of theory knowledge.
- ❖ To know about the company's activities of using various Operation techniques
- ❖ To know how the company gets funds from various resources.

1.2 Methodology:

Research Design

This report is a descriptive type of research, which briefly reveals the overall activities performed by the Finance department and E-commerce site of Nascenia IT. It has also been administered by collecting secondary data. The study is performed based on the information extracted from different sources collected by using a specific methodology. This report is analytical in nature

Sources of data

Primary data:

- ❖ Own practical knowledge
- ❖ Discussion with the manager and the CEO of Nascenia IT

Secondary data:

- ❖ Mail specification sent by our clients.
- ❖ Different text book and journals.
- ❖ Various reports and articles related to study.
- ❖ Some of my course elements as related to this report.
- ❖ Web base support from the internet

1.3 Limitation:

Observing and analyzing the broad performance of a farm is not that easy. Moreover due to obvious reasons of scrutiny and confidentiality, the farm usually doesn't want to disclose all the financial information about their organization. However the some of the limitations I have faced while preparing this Report are listed as follows:

Time Limitation: To complete the study, time was limited. It was really very short time to know details about the capital budgeting of Nascenia IT.

CHAPTER TWO: INDUSTRY AND ORGANIZATIONAL OVERVIEW

2.1 Bangladesh Software and IT Service Industry Recent Trends & Dynamics:

Software and IT service industry in Bangladesh has crossed a long road over the last few decades. It has matured. The industry no more remains at the sideline. It joined the mainstream. Not only the industry is contributing significantly in the national income, but also it has been playing very crucial role in creating high quality employment for a sizable portion of young graduates of the country. The presence of high number of young entrepreneurs is one of the distinctive features of this industry.

2.2 Snapshot of the Industry:

According to BASIS survey, there are over 800 registered software and ITES (IT Enabled Service) companies in Bangladesh. There are another few hundred of unregistered small and home-based software and IT ventures doing business for both local and international markets. The total industry size is estimated to be around Tk. 1,800 crore (US$ 250 million). Approximately 30,000 professionals, majority IT and other graduates, are employed in the industry.

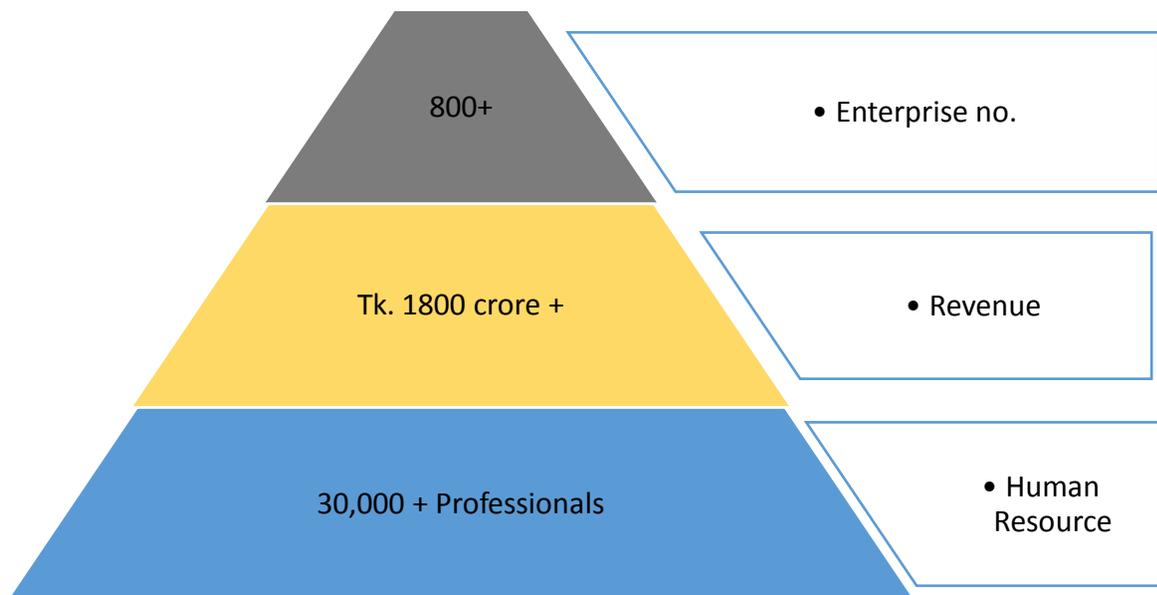*Figure 1: Bangladesh Software and ITES Industry*

BASIS recently carried out a survey on three hundred of its member companies. Analysis has been done on business nature, business volume and size of companies. Over 70% of the companies are found to be involved in development and maintenance of software for their clients. A number of those are simultaneously engaged in providing different IT enabled services

for their clients as well. In total, almost half of the surveyed companies are involved in providing range of IT enabled services (data/form processing, graphic/web design, content management etc.). Interestingly, a significant number of companies (18%) have developed software products or productized services; most of those have been developed over time after repeated installations for multiple clients. A number of companies are in digital content development and delivery business , mainly providing content services through mobile platform.
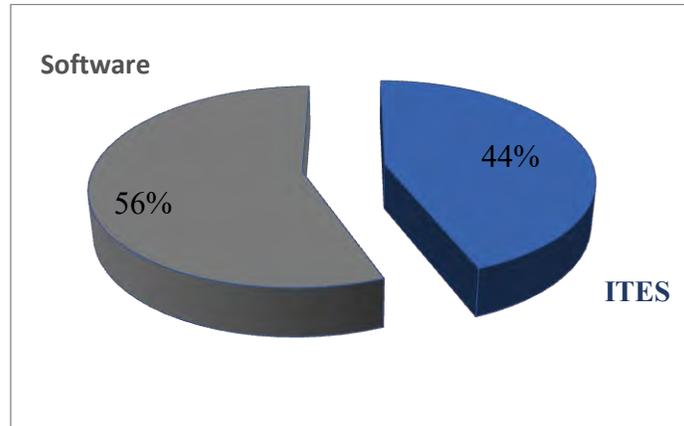

Figure 2: Industry Revenue Proportion

One of the most encouraging recent trends in the industry is that, leveraging on recent positive changes like larger Internet user-base, better connectivity as well as introduction of new payment methods (online payment – through credit card and mobile payment), a good number of companies (around 45%; some dedicatedly and some along with their core software or IT service business) are focusing or diversifying on different web based services that include specialized portals, listing services, e-Commerce, e-Learning, payment intermediary services etc. A number of these ventures have done quite well in terms of popularity as well as financial viability. Off late, some companies are also developing web applications based on cloud/SaaS delivery model. These emerging new business and service delivery models might define the new wave in the coming years for Bangladesh IT industry.
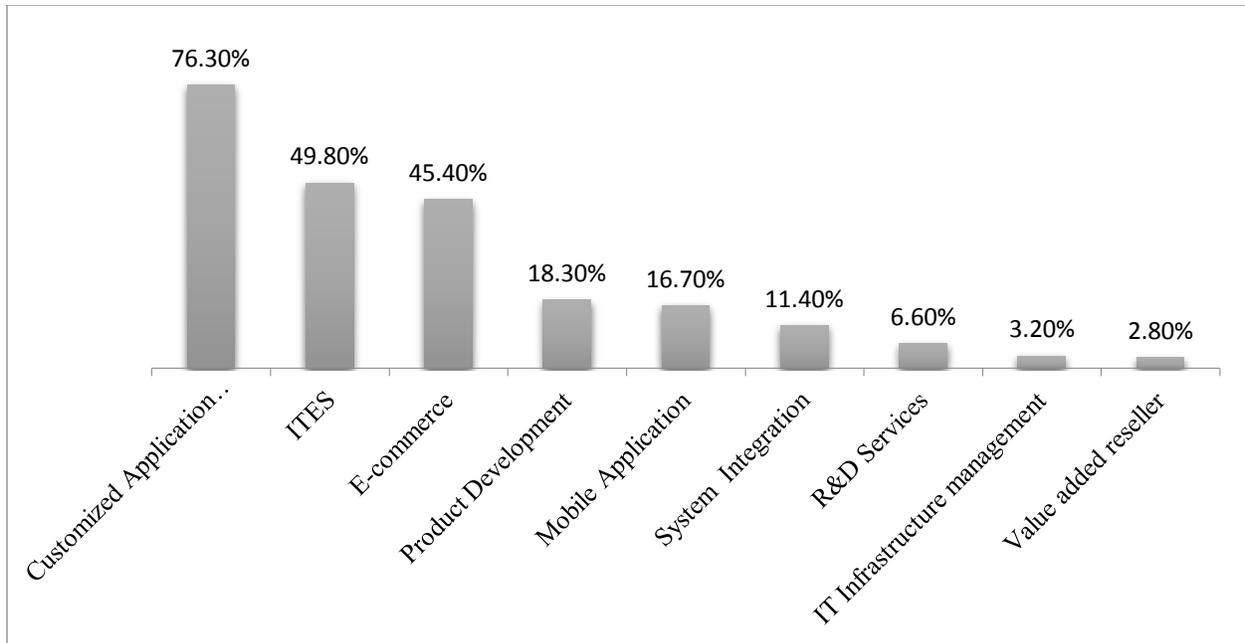
Figure 3: Business Specialization of BASIS Member Companies

With regard to average size of enterprises within the industry, it is interesting to note that, the distribution is quite spread with respect to both revenue size and employment number. Majority of the companies are in the range between 10 to 50 people in employee size. Similar pattern can be found in revenue size of the companies. However, there are few product companies who have relatively less number of people for significant revenue.

It is a fact that despite high expectation, over last decade the software and IT service industry could not perform according to its potential in the export front. The export value is still meager compared to other outsourcing countries in the region. As reasons behind this lackluster performance, industry experts have identified a number of problems including lack of proper infrastructure, shortage of qualified IT resources, absence of international branding & marketing activities etc. However, in 2010 and 2011 there have been a number of achievements that have made the industry upbeat about the export trends in coming years. And presently in 2015-2016, the revenue from this sector has increased extensively.
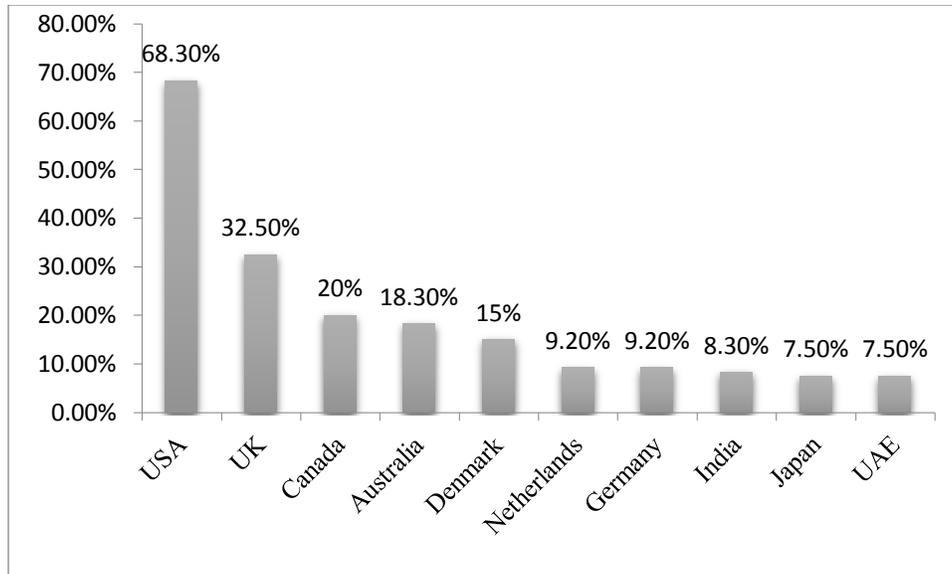
Figure 4: Top Export Destinations

According to BASIS survey, there are over 160 BASIS member companies who have export in their portfolio. Around one third of those companies are 100% export based. In terms of export destinations, North America (mainly USA; a major part of business in US market is still done through NRB linkage) still dominates, while in Europe countries like UK, Denmark and Netherlands have emerged as major destinations during last few years. A number of companies regularly export in Australia though the growth is limited by the number of NRB entrepreneurs located in that market. Japan, which is very sensitive to language skill, has been an important market for a while. However, in recent years much success has not been achieved in further penetration to this market.

2.3 Company overview- Nascenia IT:

Nascenia IT is an award winning Software Company working for European and North American clients. They build cloud based web and mobile applications. They capture, store and extract business insights from big data. They have referable clients in Norway, Sweden, UK, Nigeria, India, Switzerland, Canada, and USA. Their expertise is in Ruby on Rails, PHP, .Net, iOS, android and big data. They have a team of talented engineers and creative designers. Not only do they develop software but from concept to design to all the way through deployment, they are with their clients. They follow supple methodologies for developing software. Their portfolio consists of varieties of web and mobile application.

Nascenia is a custom software service provider focused on web applications using Ruby on Rails, PHP, .Net, AngularJS, ReactJS and mobile applications on iOS, Android.

- ❖ Deploying an idea- Nascenia provides their clients end to end service. From an idea they extract requirement, present their clients wireframe, design UI, write software and deploy to server. Moreover they even help out with the maintenance of the products.
- ❖ Outsourcing- Nascenia has referable customers in USA, Canada, and Europe (Denmark, Sweden, UK, Netherlands and Switzerland) and provides guidance using effective tools.

2.4 Organization Overview:

Firm values and culture

Nascenia has a team of integrity, transparency and responsibly. Following is a highlight of its values and culture.

Transparency with Clients

The clients have full access to the entire asset (code repo, project management tool). They enjoy direct communication privilege to each of the hired resource.

Corporate Governance

Nascenia maintains utmost corporate governance and take special care in preparing and reporting to the government and its different agencies.

Social Responsibility

Every year Nascenia voluntarily gives away 2.5% of our reserve for the development of education and medical sector in Bangladesh.

Responsibility to Tech Community

Nascenia contributes to the tech community by regularly taking session in universities and national conferences.

Flat Structure & Open Door Policy

Any team member has access to any other member. All the C-level employees are accessible by any means of communication.

Open Office Space

They have an open office space where all the team members sit across each other without boundaries.

Knowledge Sharing to off-set Risk

In Nascenia it makes sure that the business and technical knowledge is not conned to a single resource and that if one developer leaves, others can be productive.

Utmost Confidentiality with Client's Information

Nascenia signs NDAs before entering a contract. Their employees are contractually bound to keep client's information confidential.

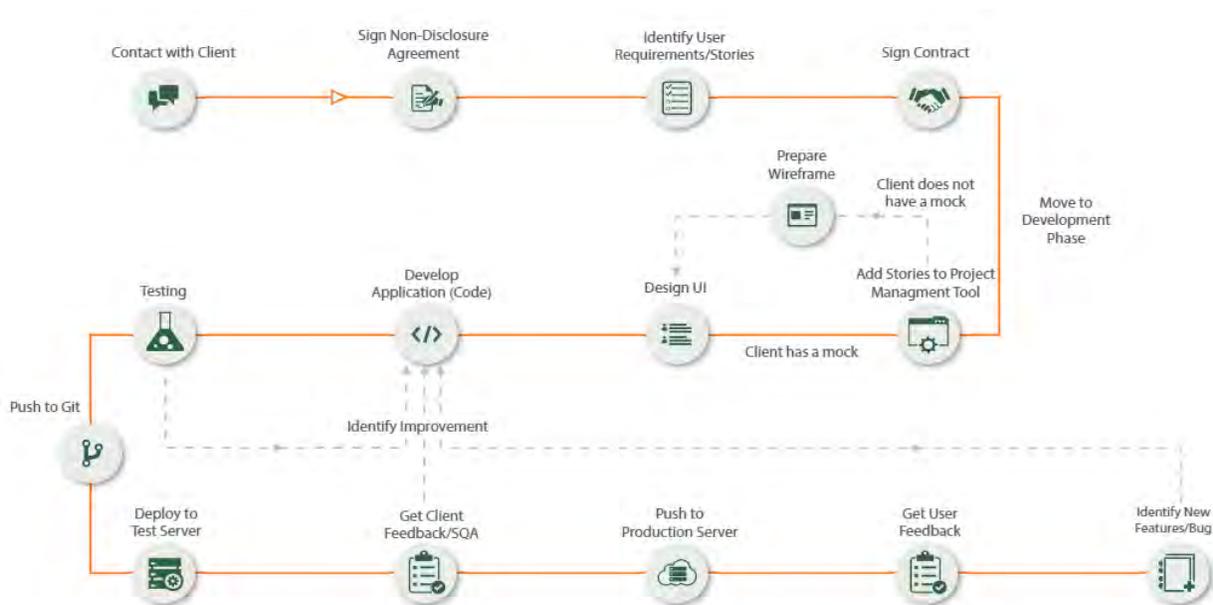## 2.5 How they work:

Figure 5: Work flow

2.6 Organizational Background and Industry Perspective:

Company Background

In 2010 Nascenia Ltd was founded by the three industrialists, Sheikh Shaer Hassan (CEO), Fuad Bin Omar (COO), and Md. Fattahul Alam, (CTO). Soon after starting up, Nascenia met Jesper, a Danish Entrepreneur. He hired the team to build up more than a hundred websites for his

company Better Collective. Later, like Jesper many others found Nascenia as their trusted outsourcing partner, both individuals and companies from twelve different countries including USA, Canada, Denmark, Switzerland, Australia, India, outsourced their software. Nascenia helped cutting their development costs by roughly fifty percent whilst delivering high quality. Meanwhile Nascenia grew from a three person startup to a fifty people team. The wide variety of aspiration of clients gave Nascenia multi sector experience. For example:
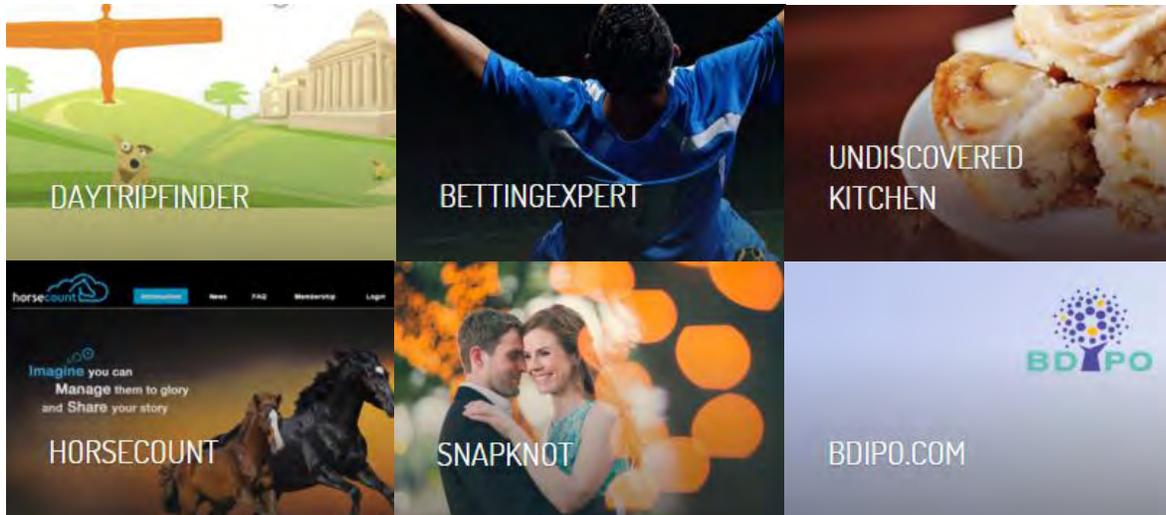

Figure 6: Previous Work

- **Daytripfinder** is built for tourism industry
- **Betting expert** is for sports
- **Undiscovered kitchen** is a marketplace for selling artisan and food
- **Horsecount** is for horse management
- **SnapKnot** gives a quick way to browse and find wedding photographers
- **BDIPO** for the IPO market
- **Biyeta** an online matrimony site which facilitates marriage between couples and
- **Goponjinish.com** an e-commerce site which sells lingerie products of both man and women.

As recognition of quality work Nascenia won the e-Asia Award in 2011, Red Herring Award in 2013, and Basis Outsourcing Award consecutively in 2014 and 2015. The team now has representatives in Norway, Germany, USA, and has a plan to ensure representation in Japan and many other parts of Europe. To support growth and ensure quality the team hires the best talent from universities, like Dhaka University, BUET, KUET, IUT, NSU and UIU. It has been more than six years but the team is just getting started. With business growing, it envisions to employ

500 people by 2021, and eventually become one of the most respected software companies in Asia. There is no end to peoples' ideas and aspirations, the company intends to keep those dreams materializing as it exists.

CHAPTER THREE: THE INTERNSHIP PROJECT

3.1 GOPONJINISH.COM: THE LEADING ONLINE MARKETPLACE FOR EMERGING MARKETS

As an Ecommerce site GJ started its journey in around June 2013. It is one of the leading online marketplace for emerging markets. It sells fashion wear, Lingerie items both for male & female and living products, Perfume and many more. It is the one stop solution for customers to find their products online. It is one of the fastest growing online E-commerce platform in the emerging E-commerce markets, with over million customers. GJ operates an online E-commerce market place enabling end customers to buy their necessary products easily.

3.2 How GJ Functions:

GJ Basics:

GJ is, first and foremost, an online E-commerce site. One can browse through categories like Clothing, Lingerie, shape wear, Hijab, Female Hygiene Care, Spot Remover, Razor, Perfume and Deodorant, Personal Care Products, Sports & Outdoors Clothing's and various other categories. When a customer want to see something they like, they click on the product and view the details that include pictures, descriptions, payment options and shipping information. If the customers have a pretty good idea of what they are looking for, they can search for it using simple keywords, such as " Bio Oil," or using more advanced search criteria that helps narrow the results, such as item location, brand and price range.

Figure 7: What Customers See After Clicking On a Product

Usually, Products are sold at fixed prices in GJ site. The option of buying using various methods is also available, they place an online order, they buy it, pay for it and wait for it to arrive at their doors! If they reside in Dhaka, they usually get home deliveries and many sellers provide cash on delivery even outside Dhaka (meaning customers can pay after receiving the product). Customers can pay for an item on GJ using a variety of methods, including cash on delivery (this is available only in few cities at the seller's discretion), bank deposit, bKash or other mobile banking methods, etc. Fortunately, online payment gateway has been installed and customers can make online payments to buy products from GJ thereby making it easy for people outside Bangladesh to purchase products. Just as one can buy almost anything on eBay, one can sell almost anything, too. Using a simple listing process, one can buy. There is 45TK Delivery charge all over Bangladesh, GJ maintain this shipping fee charge from the beginning for which they have to bear almost half of the Shipping charger o an order.

Once anybody registers (for free) with GJ, he/she can access all of their GJ buying activities in a single location called "My Accounts"
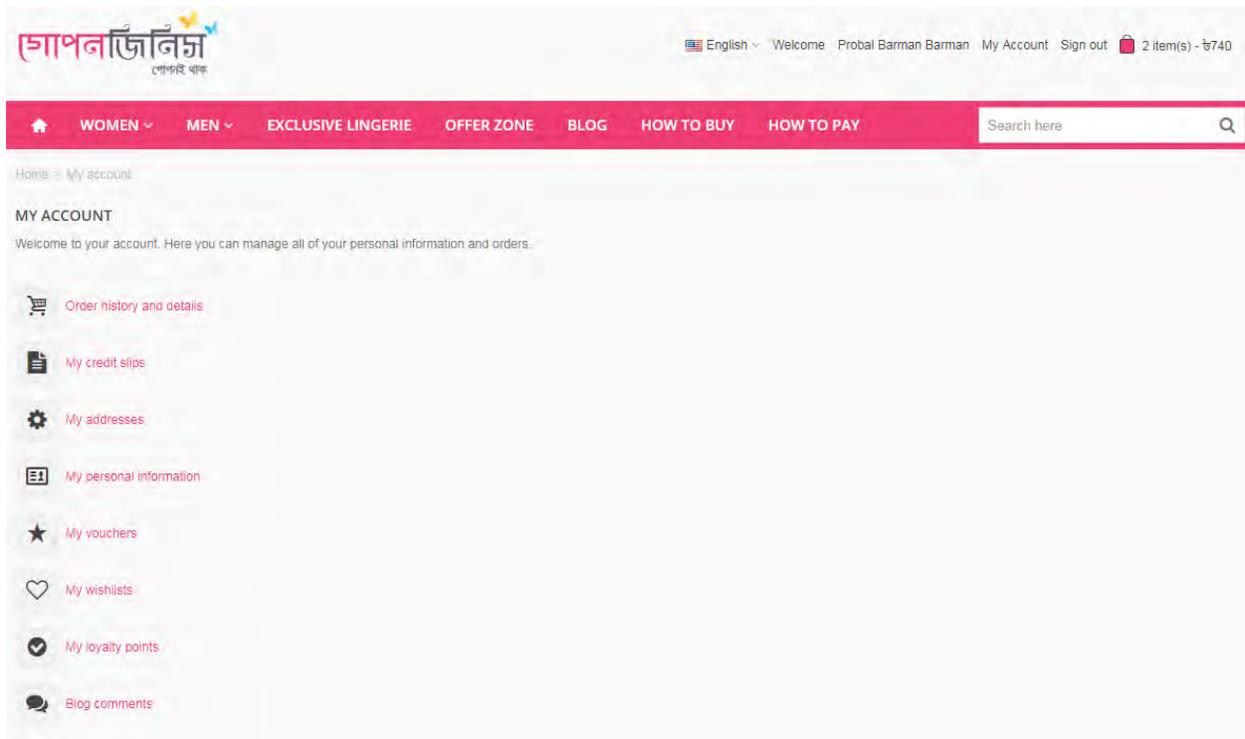

Figure 8: My Accounts

3.3 The Buying Process:

To purchase something, one must have an account in GJ. He/She simply needs to register by providing some basic information (name, address, birth date, phone number etc.). With that account they can place orders on GJ. Once a buyer likes something, he/she places an order online by clicking on "Add to Cart". After this, a text message/email is sent with a code to validate the purchase. If the buyer validates it, the seller can see it when they log in to their account and then the seller is responsible for calling up the buyer, confirming the order, answering to any necessary queries, and deliver the product. If the buyer is unable to validate the order, a customer service agent from GJ calls the buyer up and validates the order. And then the seller process starts as mentioned above. This process generally takes about 2-3 working days and the buyer usually gets it by then unless there are other issues. Often, pre-payment is necessary and then the delivery time becomes higher as the seller would not dispatch the product without the buyer 13 paying first. Most sellers provide cash on delivery to buyers residing in Dhaka, meaning the buyers can pay after the product reaches their home. Some sellers provide cash on delivery

facility outside Dhaka as well, but not most sellers. Therefore, most customers outside Dhaka needs to prepay via bank account or mobile banking.

3.4 Department:

As an intern, I was assign in the Business Development Dept. of Nascenia IT. According to my administrator, my assigned task was to, Incubate new Marketing, selling ideas, take update, order processing and make necessary collaborations with the customer service department. Incubation: As per the work structure, as sales team acquires sellers buyer from online or from offline visits. They help them open an account on GJ and gives them basic idea about GJ. The basic task for this is to call the buyer and remind, confirm them that they have an account created and give them precise knowledge about how to use the account, what are the Procedures to buy on GJ. This phase also include introducing buyer with the company. So my first task was to educate new buyer over phone and making sure they are well aware of the terms and conditions of the organization. An email is sent out to all the reachable buyer in order to provide them a better understanding which included video tutorials on how to use the account. The second task was to call buyer who have not received any order after 5 days of the account creation. The basic task in this phase included checking the picture quality, product pricing and basic description of the product. After that educating the sellers that why they have not been receiving orders. The main focus was to make them understand that this may happen due to price or picture quality. So I used to ask them for discount pricing. This phase also included educating buyer about the photography studio we have and the logistic support we send out to help them in case they are facing any problem. All these services are free of cost. Also making sure that they have received the welcome email from us which is a great help to learn about GJ. I called buyer reminded them of the bills that was sent through an email and educating them on how to pay it through Bkash/Card/COD. This was a challenging work for me as the buyer do not give much time over phone. Many buyer misbehaved and many of them refused to pay. Being polite to them and making them understand why they need to pay was one of the toughest work. Nevertheless, GJ is in the leading position in terms of Customer Service: I was assigned to work with the customer service department for a day. This was another experience for me as I got a chance to contact with the customers on hand to hand Delivery from our office Area. So I had the idea of how customers react on buying behaviors in terms of their transaction, The basic task involved in customer service was to communicate with the customers who order through GJ. The basic

questions asked are, did the buyer contacted or not, whether they have received the product or not, whether they are happy with the quality or not and finally after taking a rating from the buyer, customer service can close an order.

3.5 My Learning:

During the internship period, I have learnt a lot about Professional work life in practical, which was not possible to experience and picture while taking classes only. However, this internship opportunity gave me a chance to learn different skills along with discovering skills, which I did not experienced before. I could compare and contrast between my academic and work-life learning. I have observed and find out some issues regarding the sales process using customized marketing speech and the customer oriented job. Communication, interpersonal communication skill, conflict management are considered as people skill. Here I got a great scope of learning and practicing this skill through written communication with the local as well as corporate clients and interdepartmental colleagues. Punctuality was highly expected here. All of my colleagues in my department practiced punctuality and encouraged each other in doing so as well. I learned a great deal of being punctual and managing time. While maintaining inter-departmental communication, I learned to maintain professionalism in terms of communicating. In addition, I learned how to act professional through work, attitude, dress up etc. The lessons I learned here during my internship was almost exactly, what was share by few faculties in class. This is because theories often do not match with practicalities. Additionally, we taught books written in the context of US market but the scenario in Bangladesh is different. However, according to my findings what we were taught in the class and the practices that I found at work was neither was exactly the same nor contradictory. Similarities and dissimilarities both were observe.

3.6 Recommendation:

Nascenia IT has significant success in a small period of time but there are still a few areas which needs to be improved. During my internship I have seen many changes within departments and within the whole organization. Followings are few recommendations from my experience after working in the organization. There are thousands of registered buyer but they are not well organized in terms of category. Also the number of buyer manager is very little in comparison with number of buyers. So they must assign categorized seller managers in order to get maximum output from the buyers. Lastly, what I think is the company should develop a better

call center based technology as the whole work is based on phone calls. Making more than hundred calls manually get difficult at times. So the organization must focus on effective and efficient technology based surface.

3.7 Reference:

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