Report On

Navigating Financial Challenges: A Case Study on E.Gen Consultants Ltd. - Theoretical Insights and Strategic Recommendations

By

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

MBA Program, Brac Business School
Brac University
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Declaration

I hereby make the following declarations regarding the internship report I have submitted:

1. This internship report represents my own original work during the completion of my degree at Brac University.
2. The content of this report does not include any material that has been previously published or authored by a third party, unless properly referenced with complete accuracy.
3. The report does not incorporate any material that has been accepted or submitted for another degree or diploma program at any university or institution.
4. I have duly acknowledged all primary sources of assistance and support in preparing this report.

Student's Full Name & Signature:

Shanta Islam
21164030

Supervisor's Full Name & Signature:

Dr. Mohammad Enamul Hoque
Assistant Professor, Brac Business School
Brac University

Letter of Transmittal

Dr. Mohammad Enamul Hoque

Assistant Professor,

Brac Business School

Brac University

66 Mohakhali, Dhaka-1212

Subject: Letter of transmittal for thesis report on key challenges faced by e.Gen Consultants Ltd., financial theories for mitigation, and recommendations.

Dear Sir / Madam,

I am pleased to submit the thesis report titled " on key challenges faced by e.Gen Consultants Ltd., financial theories for mitigation, and recommendations." This report represents the culmination of my extensive research and analysis into the challenges faced by our company, along with proposed strategies for mitigating these issues and recommendations for sustainable improvement.

Throughout the course of this project, I have conducted in-depth investigations into various aspects of our organization, aiming to identify the root causes of the challenges we have been encountering. I have had the privilege of working closely with colleagues from different departments and conducting interviews to gather insights directly from our team members.

I believe this report will provide valuable insights into the challenges our company is confronting and offer practical guidance on how to overcome these obstacles. The proposed strategies and recommendations are aimed at fostering positive change and driving our company toward enhanced efficiency, productivity, and overall success.

I would like to express my gratitude to you for your support and guidance throughout the process of compiling this report. Your expertise and feedback have been invaluable in shaping the final outcome.

I am available at your convenience to discuss the contents of the report in more detail and address any questions or concerns you may have. Thank you for considering this report, and I look forward to your feedback.

Sincerely yours,

Shanta Islam

21164030

MBA Program, Brac Business School

Brac University

Non-Disclosure Agreement

This agreement is entered into by e.Gen Consultants Ltd. and Shanta Islam. The purpose of this agreement is to safeguard confidential information (as defined below) to which the intern may be exposed while seeking experience and training with the company.

1. Confidential information: This term refers to proprietary information related to company's business, including, but not limited to, intellectual property, security measures, financial records, proprietary data, new products or services, forecasts, or any other information that, if disclosed, could impact company's business.
2. Non-disclosure undertaking: The intern hereby commits to refrain from (a) revealing the confidential information to any external party unless granted written consent by the company beforehand; (b) reproducing or permitting the replication of the confidential information; or (c) utilizing the confidential information for commercial pursuits.
3. Return of confidential materials: Upon company's request, intern shall promptly return all original materials provided by company, along with any copies, notes, or documents related to confidential information in intern's possession.
4. Term: This agreement and intern's obligation to maintain the confidentiality of confidential information shall remain in effect until the earliest of the following: (a) company provides written notice releasing intern from this agreement, or (b) the confidential information disclosed under this agreement is no longer confidential.
5. Notice of immunity from liability: Intern shall not be subject to criminal or civil liability under federal or state trade secret laws for the disclosure of a trade secret made (i) confidentially to a government official or attorney for the purpose of reporting or investigating a suspected violation of the law; or (ii) in a sealed complaint or document filed in a lawsuit or other legal proceeding.
6. General clause:

(a) Separability: If any provision of this agreement is deemed invalid or unenforceable, the remaining provisions will be construed in a manner that most closely aligns with the intentions of the parties involved.

(b) Integration: This agreement represents a complete understanding between the parties regarding the subject matter and supersedes all prior agreements. Any amendments must be in writing and signed by both parties.

(c) Waiver: The failure to exercise any right provided in this Agreement shall not constitute a waiver of prior or subsequent rights.

e.Gen Consultants Ltd. By: ______________________________ Sadia Islam Assistant Manager, Project Management Unit Date: ____________________________	Shanta Islam By: ______________________________ [Student's Signature] Date: ____________________________

Executive Summary

This paper conducts an extensive examination of how e.Gen Consultants Ltd. addresses challenging financial issues, providing valuable insights into the strategies employed to navigate the challenges of managing multinational projects. It delves into e.Gen's core management principles, which revolve around prioritizing the well-being of employees, fostering transparency, and ensuring accountability. These principles are highlighted as pivotal in establishing a thriving organizational culture. Furthermore, the study explores the intricacies brought about by the pandemic, such as its effects on mobility and teamwork. The paper also portrays difficulties related to project budget exceedances and payment delays, showcasing how e.Gen Consultants Ltd. demonstrated adaptability and strategic expertise in surmounting these challenges. They adeptly adjusted project objectives and made optimal use of available resources to address these issues. In conclusion, the report underscores the vital importance of nurturing enduring partnerships, embracing adaptability, and championing strategic flexibility in an ever-evolving global project landscape. It acknowledges the persistence of uncertainties and complexities as inherent components of the journey toward making a meaningful and lasting impact.

Keywords: Project management, Budget, COVID-19, Payment delays, Project timeline.

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List of Acronyms

ISO	International Organization for Standardization
PKSF	Palli Karma-Sahayak Foundation
USAID	United States Agency for International Development
DFID	The Department for International Development
GIZ	The German Agency for International Cooperation or (GIZ)
JICA	Japan International Cooperation Agency
UNDP	United Nations Development Programme
IBA	Institute of Business Administration
MBA	Master of Business Administration
SDSN	Sustainable Development Solutions Network
OECD	Organisation for Economic Co-operation and Development
ADB	Asian Development Bank
LGED	Local Government Engineering Department
UN	United Nations
MFI	Microfinance Institution
LE	Local Entrepreneurs
UF	Upazila Facilitators
EVM	Earned Value Management
CBA	Cost Benefit Analysis
WB	World Bank

1. Introduction

In the ever-evolving landscape of global project management and consultancy, organizations like e.Gen Consultants Ltd. stand as exemplars of adaptability and perseverance. With a footprint spanning 24 nations across four continents, e.Gen Consultants Ltd. is a prime example of multidimensional management consulting since it integrates several fields including feasibility studies, capacity building, policy development, and effect evaluation.

Yet, even the most accomplished entities are not insulated from the reverberations of unforeseen global disruptions. The seismic impact of the COVID-19 pandemic, for instance, reverberated through the corridors of international project management, bringing about a litany of challenges that tested the very fabric of operational agility. An examination of e.Gen's development throughout this turbulent time period can provide priceless insights into how a strong business handled adversity.

Central to this exploration is the pandemic's profound effect on mobility and collaboration. Focusing on specific projects like 'Institutionalizing Gender Equality Practices in the Local Government Engineering Department,' funded by the Asian Development Bank, reveals the intricacies of e.Gen's response. The intricate dance between shifting travel restrictions, the abrupt transition to remote work, and the resultant delays in project timelines highlights the organization's adaptability. Consultants, whether from international or local realms, found themselves grappling with the complexities of remote expertise delivery, necessitating innovative approaches to maintain project momentum.

Amidst these challenges, the specter of project budget overruns emerges as a common and formidable adversary. 'Support Micro Finance Institutions for Local Entrepreneurs,' a project funded by the World Bank, provides an illuminating case study. Within this narrative lies the often-unpredictable interplay of factors such as scope expansion and unforeseen risks. Here, the organization's ability to recalibrate resources, strategies, and expectations shines through as it adeptly navigates the intricate balancing act between envisioned goals and emerging realities.

Adding depth to this complex landscape, the issue of payment delays comes to the forefront. This issue reverberates across sectors and projects, affecting stakeholders at every level. In the context of e.Gen's journey, the PKSF project serves as a canvas to illustrate the cascading effects of delayed payments to consultants and facilitators. As the domino effect of liquidity challenges, eroded reputation, and potential project delays becomes apparent, the importance of financial fluidity and timely remuneration is underscored.

As the narrative unfolds, it becomes increasingly evident that international project management is a realm characterized by its intricate tapestry of challenges, responses, and collaborations. e.Gen Consultants Ltd.'s story serves as a testament to the enduring value of resilience, adaptability, and proactive strategies in the face of adversity. The subsequent exploration delves into these challenges with the aim of illuminating the universal lessons that can be drawn from e.Gen's experiences in a world where change is the only constant.

2. Background

e.Gen Consultants Ltd. is a multifunctional management consulting organization with ISO 9001:2015 certification. e.Gen Consultants Ltd. has operations in 24 countries and four continents. By its engagement in notable areas that are experiencing vital growth, e.Gen thrives on its ability to empower individuals and contribute to society's overall progress. Feasibility assessment, capacity building, monitoring & evaluation, project implementation, impact evaluation, policy formulation, etc. are just a few of the cross-sector knowledge areas in which the company excels. It's an exciting and rewarding experience to be part of a company that is dedicated to making a positive impact in the world.

Several bilateral and international development partners as well as NGOs have confidence in e.Gen to carry out their humanitarian support with effectiveness, efficiency, and dependability. With their help, e.Gen has made it possible for various small and big government and non-government organizations as well as the socially disadvantaged to take steps toward sustainability and expansion. Renowned institutions including the World Bank, Asian Development Bank, JICA, USAID, DFID, GIZ, and UNDP are among them. e.Gen has been ranked as the best international consulting business from Bangladesh, winning more than $20 million worth of projects funded by ADB in various sectors, states ADB Fact Sheet-Bangladesh 2014-2018.

2.1 The vision of e.Gen Consultants Ltd

To support the continuous and sustainable development of business entities, communities, and institutions through innovation, engagement, and environment.

2.2 The mission of e.Gen Consultants Ltd

To help clients achieve development goals by providing value-additive and innovative consulting services.

2.3 The core fields of expertise

Initiatives carried out by e.Gen typically focus on industries with strong growth potential and a big influence on socioeconomic development. Power and energy, transportation, agriculture, finance, education, socioeconomic development, etc. are a few of the key operating sectors.

2.4 The Global Footprint of e.Gen

e.Gen has been operating in 24 nations across 4 continents. Countries including,

- Timor-Leste,
- Afghanistan,
- Australia,
- Austria,
- Bangladesh,
- Burma,
- Iraq,
- Federated States of Micronesia,
- Tunisia,
- Nepal,
- Philippines,
- Nigeria,
- Pakistan,
- Sierra Leone,
- Uzbekistan,
- Turkey,
- Mongolia,
- UAE, and
- The Maldives,

2.5 Organization chart

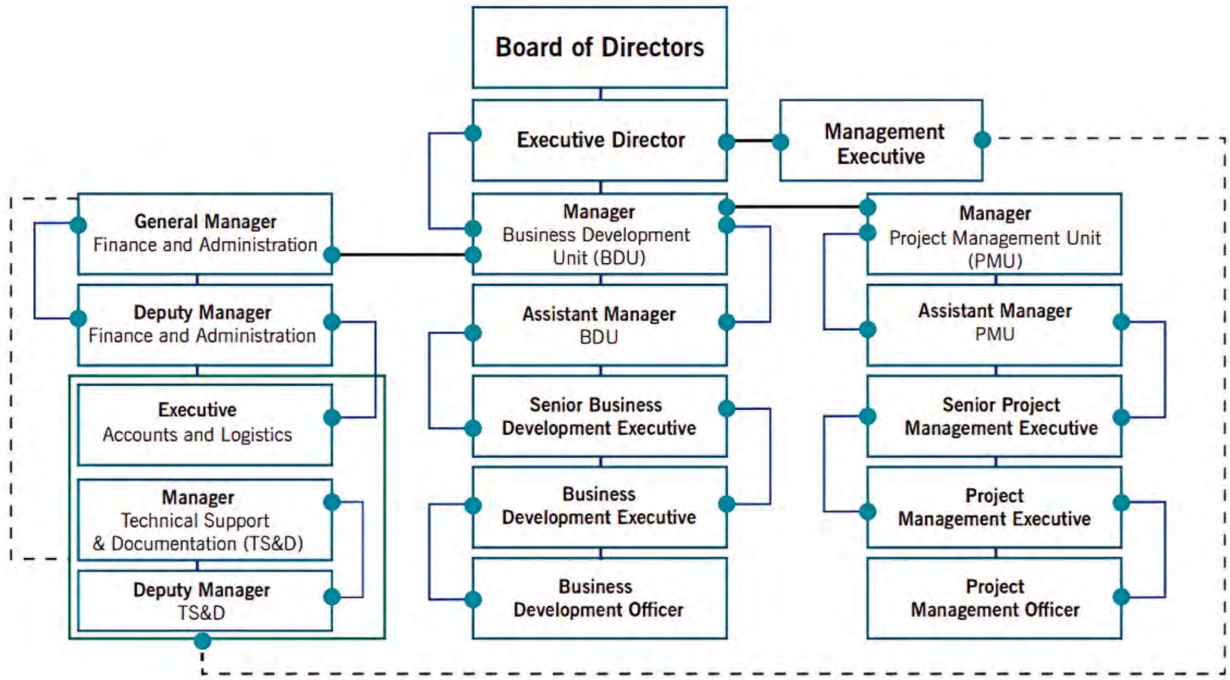

Fig 2.1. Organogram of e.Gen Consultant

2.6 Founder of e.Gen

Syed Munir Khasru is the founder of e.Gen Consultants Ltd, which is a management consulting and project management firm that operates globally in 24 different countries across Asia, Europe, and Africa. He is also a teacher at the Institute of Business Administration (IBA) at the University of Dhaka. Khasru has obtained M.Com and B.Com degrees in Finance, and an MBA from the Wharton School of Business at the University of Pennsylvania. He is a Global Expert of the World Economic Forum and a member of various global organizations including the World Economic Forum, World Bank, OECD, Dubai Government, Energy Leaders' Forum, and Asian Development Bank (ADB). He also serves as the Chairman of the Bangladesh chapter for the UN's Sustainable Development Solutions Network (SDSN). He frequently contributes to top international media outlets such as the Project Syndicate (Global), World Economic Forum (Global), Straits Times (Singapore), South China Morning Post (Hong Kong), Nikkei Asia (Japan), and the Hindu (India).

2.7 Management principles

At e.Gen Consultants, the management principles are carefully crafted to foster a work environment that revolves around its most valuable asset - its employees. By prioritizing the well-being and growth of their team members, e.Gen has established a thriving organization known for its fast-paced, collaborative culture. This principle is reflected in various aspects of their management philosophy. By nurturing transparency, open communication, and a strong sense of accountability, e.Gen empowers its employees to excel in their roles while maintaining a healthy work-life balance. In essence, e.Gen's employee-centric approach lays the foundation for success, allowing its team members to flourish and deliver exceptional results in a dynamic and innovative work environment.

2.7.1. Division of work

e.Gen maintains a fast-paced, multitasking, collaborative work culture that makes it easier to handle several projects at once. Team members in e.Gen are nimble and quick to switch between jobs while still paying close attention to quality and detail. To ensure that everyone is on the same page and that tasks get done, team members also value transparency and communication, both within the team and with clients.

2.7.2. Authority

Under the hierarchical structure of e.gen Consultants, managers are in charge of supervising the performance of their employees and have the power to assign tasks and make decisions. When it comes to authority, the managers at e.gen think it's important to provide their employees with the flexibility to be ingenious and creative in their job and to take risks when required. The company supports a variety of opinions and encourages staff members to question norms and think divergently. In terms of accountability, e.gen places a high priority on openness in the workplace. The organization promotes employee accountability for their actions and decisions and appreciates honesty and integrity.

2.7.3. Discipline

e.Gen maintains discipline in the workplace through a combination of policies, methods, and expectations to promote a productive and accountable work environment. e.Gen enforces a strict 9 to 7 workday, keeps track of leave usage, and demands obligatory field excursions as part of its efforts to uphold discipline. They believe that by implementing these actions, companies may preserve employee accountability and discipline while ensuring the regularity and productivity of their work. In addition to these measures, e.Gen has developed precise expectations and norms for employee behaviors. They cover guidelines for cooperation, teamwork, and social conduct at work.

2.7.4. Unity of command

At e.Gen, there is an assigned assistant manager for each department, who serves as the point of contact for executives and senior executives. Assistant managers are responsible to the manager of their respective departments. Managers, in turn, report to the executive directors. This hierarchical structure ensures the smooth and effective operation of the organization.

2.7.5. Remuneration

e.Gen considers both financial and non-financial options while determining how to reward employees. Different employees may be motivated by different types of rewards, so it's important to offer a variety of options to ensure that everyone feels valued and appreciated for their contributions. e.Gen ensures financial rewards by increasing salary, giving performance bonuses, and providing commission, mobile bills, and travel allowances. Besides, non-financial rewards include recognition, appreciation, career advancement opportunities, professional development training, team-building activities, and awards.

2.8 Marketing strategy

A marketing strategy is a plan of action aimed to promote and sell a product or service. It entails discovering the intended market, understanding their interests and preferences, and devising an approach to successfully reach and interact with them.

2.8.1. Content marketing

e.Gen Consultants uses content marketing as a strategy to engage and attract their target audience. This includes creating and sharing high-quality contents on various platforms such as their website, blog, and social media. The content they share consists of thought leadership articles, white papers, case studies, videos, infographics, and webinars that showcase their expertise in their field and provide valuable solutions to their clients' challenges. e.Gen puts significant effort into maintaining their blog page, website, LinkedIn, and Facebook profiles.

2.8.2. Email marketing

e.Gen Consultants employs email marketing as a means of developing leads, establishing rapport with their clients, and advertising their services. This encompasses sending out periodic newsletters, and company portfolios that furnish valuable and pertinent information to their subscribers.

2.8.3. Referral marketing

e.Gen Consultants may be leveraging their network of satisfied clients and partners to generate referrals and word-of-mouth recommendations. This may involve offering incentives, such as discounts or bonuses, to clients who refer new business to them. They also appear to prioritize building relationships and partnerships with clients and industry experts to drive referrals and word-of-mouth marketing. Ultimately, their marketing strategy likely involves a mix of inbound and outbound tactics tailored to their target audience and business objectives.

3. Evaluation of the case

3.1. Challenges during COVID-19

3.1.1. Issue description

The COVID-19 pandemic had a significant impact on international project management and consultancy firms collaborating with esteemed institutions such as the World Bank and Asian Development Bank (ADB). e.Gen Consultants Ltd. encountered various challenges during this period, including disruptions in project timelines, shifts in client demands, and the transition to remote work. To illustrate these issues, we can focus on a specific project called 'Institutionalizing Gender Equality Practices in the Local Government Engineering Department,' funded by the Asian Development Bank (ADB) and implemented in partnership with the LGED.

During the course of this project, the mobility of international consultants was severely hindered by the pandemic. Travel restrictions and lockdown measures implemented by various countries prevented them from visiting Bangladesh, where the project was based. Consequently, the consultants were unable to provide their expertise on-site, impacting the project's progress. Furthermore, even the national consultants faced challenges in their work and were unable to visit project training sites. It was also difficult for the firm's employees to carry out field visits and conduct face-to-face meetings with project stakeholders, leading to delays in training programs and activities. This resulted in disruptions in project implementation, which in turn affected project timelines.

Due to these unforeseen circumstances, the project encountered difficulties in adhering to its planned schedule. The training programs, originally intended to be conducted as per the project plan, had to be rescheduled and postponed. As a result, a significant portion of the allocated project funds remained unutilized. In accordance with the project agreement, the unspent funds were subsequently returned to the Asian Development Bank (ADB).

Additionally, after the quarantine period, the firm had to prioritize ensuring the safety and well-being of the participants during the training programs. This required implementing proper sanitation guidelines and purchasing the necessary COVID-19 safety equipment, which had not been accounted for in the project's initial budget. The firm incurred additional costs to meet these new requirements, further impacting the project's financial management. In order to effectively carry out the project's other tasks, the organization adopted a remote work approach and leveraged virtual collaboration, presenting challenges for both the firms and consultants, especially those who were unprepared for this transition in the context of international projects.

3.1.2. Financial theories to deal COVID-19

There are several financial theories that international project management and consultancy firms could apply to deal with the challenges posed by the COVID-19 pandemic. Here are a few examples:

- **Risk Management Theory:** Usually the application of risk management theory provides a systematic and structured approach to identify, assess, mitigate, and monitor risks, enabling organizations to proactively manage uncertainties and improve project outcomes. In the context of the pandemic, firms could use this theory to identify the risks associated with COVID-19 and develop strategies to mitigate those risks, such as implementing remote work policies, increasing cybersecurity measures, and diversifying their supply chains.
- **Liquidity Ratio and Cash Flow Management:** Liquidity ratios, such as the current ratio and quick ratio, help project management firms monitor the availability of cash and short-term assets to meet project expenses and obligations. By analyzing these ratios, firms can ensure they possess adequate funds to meet project expenses and effectively handle unforeseen financial needs, as necessitated in the context of global projects, such as those impacted by the COVID-19 pandemic. Liquidity ratios provide insights into the financial stability and risk exposure of a project. If a project has low liquidity, it may indicate potential difficulties in meeting financial commitments, which can lead to delays, disruptions, or even project failure.
- **Time Value of Money Theory:** This theory suggests that the value of money changes over time. Firms can use this theory to analyze the financial impact of the pandemic over time and determine the best strategies for managing their finances in the short and long term.

Overall, the key to successfully navigating the financial challenges posed by the COVID-19 pandemic is to remain agile and adaptable and to use a combination of financial theories and practical strategies to mitigate risks and maximize opportunities.

3.1.3. Mitigation Strategies by e.Gen Consultants Ltd.

International project management and consultancy firm, e.Gen Consultants Ltd., had to adapt quickly to the challenges presented by the COVID-19 pandemic. Some of the ways they have dealt with the situation include:

- **Adaptation to remote Work:** The COVID-19 pandemic necessitated a major shift in the way employees work, particularly in international projects. As physical field visits and in-person training programs became unfeasible, the firm successfully implemented a few online training sessions and surveys to fulfill project requirements, enabling remote participation from team members across different locations. Additionally, the firm facilitated phone interviews with high-ranking government officials through secure internal communication links, ensuring efficient collaboration despite the remote working environment. These measures addressed the challenges posed by the pandemic.
- **Reassessment of Projects:** Considering the pandemic, e.Gen has undertaken a reassessment of their ongoing projects to evaluate potential risks and identify opportunities. A specific example can be observed in the LGED Project, where the progress of the project was hindered, resulting in delays that impacted the ability of firms to deliver their expected outcomes. Consequently, this delay led to a liquidity crisis for the firm. In response to these challenges and the prevailing uncertainty, the company had to proactively seek methods to mitigate risks and optimize project outcomes. As part of this effort, they initiated cost-cutting measures by eliminating unnecessary expenses from their project expenditures. For example, multiple projects opted to onboard experienced in-house employees as experts, rather than recruiting external experts at a premium compensation.
- **Using a contingency plan:** To adapt to the project's extended timeline, a contingency plan was implemented, which involved adjusting the scheduled training sessions. Firstly, several training sessions were shortened to fit within the new timeframe. Additionally, changes were made to the training approach itself. Originally, the plan was to gather trainees from various Upazilas and bring them to Dhaka. However, to minimize the risk of COVID-19 transmission, the decision was made to send a group of trainers to the different Upazilas instead. By doing so, the project mitigated the potential spread of the virus while still providing the necessary training.

3.2. Project budget overrun

3.2.1. Issue description

Project budget overruns pose a significant challenge for international project management and consultancy firms, and this issue is particularly prevalent when dealing with complex projects involving multiple stakeholders, vendors, and contractors across different regions. Various factors can contribute to project budget overruns, and among the most common are poor project planning, inefficient resource utilization, scope creep, currency fluctuations, unforeseen risks, and events. To gain a better understanding of these challenges, we can examine a specific project undertaken by e.Gen Consultants Ltd. titled 'Support Micro Finance Institutions (MFIs) for Local Entrepreneurs (LEs) selection, Capacity building of them and linking LEs with MFIs,' funded by the World Bank (WB) and implemented in collaboration with the Palli Karma-Sahayak Foundation (PKSF).

Scope creep occurs when a project's scope expands beyond its original plan, often requiring additional resources and resulting in budget overruns. An example of this is seen in the PKSF project, where the initial focus was on both men and women from different regions. However, due to a significant number of women expressing interest in participating, the project now places a separate emphasis on women. This expansion in scope necessitates additional resources to accommodate the new focus.

Unforeseen risks also contribute to project budget overruns. In the PKSF project, Upazila Facilitators received extensive training on sanitation guidelines and constructing different types of toilets with proper measurements. Nevertheless, a query from a World Bank representative presented a challenge that the facilitators couldn't address, exposing an issue within the training session. Consequently, our firm had to redesign and organize extra training sessions for 78 Upazila Facilitators as required by WB to address the knowledge gap. To improve training sessions, our firm ensured thorough preparation with engaging content, interactive methods, and flexibility to address unexpected questions. They offered post-session support and gathered feedback for continuous enhancement. This unexpected requirement for additional training sessions further strained the project's budget.

3.2.2. Financial theories to deal with project budget overrun

In addition to the abovementioned steps, project management and consultancy firms may also implement various tools and techniques to manage budget overruns. There are several financial theories that can be applied to deal with project budget overrun. Some of these theories include:

- **Earned Value Management (EVM):** This approach compares actual project expenses to projected expenditures and assesses the value of work completed. This aids in identifying aspects of the project that are underperforming and may be utilized to implement remedial actions.
- **Cost-Benefit Analysis (CBA):** This approach compares the financial benefits of a project against its expenditures. It helps determine if a project is beneficial to invest in and may be used to justify further funding if budget overruns occur.
- **Lean Six Sigma:** This strategy detects and reduces waste in a project, which may help with cost reduction and budget overrun prevention.
- **Time Value of Money:** This theory is used to assess the present value of future cash flows and is used to understand the worth of money through time. Understanding the time value of money allows project managers to make educated decisions about resource allocation and project spending scheduling. Project managers can evaluate if a project is likely to yield a positive or negative return on investment by discounting future cash flows to their present value.

Ultimately, multinational project management and consulting businesses can employ a mix of these financial theories to address project budget overruns. By adopting these ideas, project managers may acquire a better grasp of their projects' financial aspects and take proactive efforts to improve them.

3.2.3. Mitigation Strategies by e.Gen Consultants Ltd.

e.Gen Consultants Ltd. has used the following tactics to manage project expenses and reduce budget overruns:

- **Detailed project planning and efficient resource utilization:** Effective project planning and appropriate resource allocation are critical for project cost management. e.Gen Consultants Ltd. has established a thorough project plan that includes all essential activities and milestones, as well as a full budget breakdown for each training session, such as PKSF and LGED training programs. This strategy allows us to correctly manage spending and guarantees that the project stays within the specified budget. Additionally, they are utilizing in-house resources to produce training materials such as posters, banners, notebooks etc.

- **Regular monitoring and reporting:** e.Gen Consultants Ltd. has implemented regular monitoring of project progress, costs, and employee movement. This proactive approach enables them to promptly identify any potential budget overruns and implement corrective measures. Specifically, for the PKSF project, the company has established a dedicated team that contacts the UFs twice a week to assess their performance and track the progress of their work. So that they can meet the expectations of the World Bank. Additionally, they conduct weekly calculations of training costs.

3.3. Payment delays

3.3.1. Issue description:

e.Gen Consultants Ltd. has faced some of the potential impacts due to payment delays which include liquidity crisis, use of other project funds, affecting staff morale, and project delay.

In the case of the PKSF project, the project managers lacked a thorough understanding of the necessary resources for the project. Specifically, they failed to recognize the importance of hiring experts proficient in Bangla spelling and pronunciation, essential for creating the training manuals. As a result, there was a delay in delivering the manuals, leading to delayed payments on a quarterly basis. Consequently, the company had to go through a liquidity crisis and cover the expenses of the consultants and 78 Upazila facilitators employed for the project using other projects' funds.

In some months the company experienced delays in paying consultants, 78 UFs, and suppliers, which impacted the firm's reputation and damaged relationships with everyone. Due to payment delays, they may lose the trust of their stakeholders, which can make it difficult to win future projects.

Payment delays can also lead to project delays. If consultants are not paid on time, they may be less motivated to complete the project, leading to delays in project completion. Additionally, if the project requires materials or equipment that cannot be purchased due to payment delays, this can also cause project delays.

3.3.2. Financial theories to deal with payment delays

e.Gen Consultants Ltd. may apply various financial theories to deal with payment delays, depending on the specific circumstances of the situation. Here are a few theories that could be relevant:

- **Time Value of Money:** This theory holds that money is worth more now than it is in the future due to inflation and opportunity costs. Therefore, firms may try to negotiate for earlier payments to account for the time value of money and the risk of payment delays. They also can negotiate for a higher interest rate or penalty fee for delayed payments to compensate for the time value of money lost.
- **Risk Management:** This theory focuses on identifying and mitigating risks that could impact a project or a firm's financial stability. Firms may use risk management techniques to minimize the impact of payment delays by diversifying their income streams or building up reserves to cover expenses.
- **Payment Terms:** Firms may negotiate payment terms with clients that include penalties for late payment or incentives for early payment. This can encourage clients to pay on time or even ahead of schedule.
- **Cash Flow Management:** Firms can manage their cash flows by closely monitoring their income and expenses and prioritizing payments to ensure that critical expenses are covered during a payment delay. This may involve cutting costs or finding alternative sources of financing.

Ultimately, the financial theories that a firm applies will depend on its specific situation and the nature of the payment delay. A comprehensive approach that combines multiple theories may be necessary to effectively manage payment delays and ensure the firm's financial stability.

3.3.3. Mitigation Strategies by e.Gen Consultants Ltd.

e.Gen Consultants Ltd. has implemented several effective strategies to address payment delays. These strategies include implementing clear payment terms, employing experts with proficiency in Bangla spelling and pronunciation to ensure timely delivery of deliverables, utilizing invoice reminders, and maintaining open communication with clients regarding payment and cost-related matters.

- **Clear Payment Terms:** e.Gen Consultants Ltd. prioritizes establishing clear payment terms upfront within the project contract. These terms encompass specific deadlines for both deliverables and payments, as well as the consequences associated with late payments. By clearly defining expectations from the outset, the company aims to minimize the occurrence of payment delays.
- **Invoice Reminders:** The company employs invoice reminders as a proactive measure to address overdue payments. Whenever a payment becomes overdue, e.Gen Consultants Ltd. promptly sends reminders or follow-up invoices to the client. These reminders are delivered through various communication channels such as email, phone, or the company's website, ensuring that clients are aware of their payment obligations.
- **Proper management of deliverables:** The company ensures proper management of deliverables, recognizing that payments are contingent upon the timely submission of these deliverables. To guarantee punctuality, e.Gen Consultants Ltd. has employed experts who possess a strong command of Bangla spelling and pronunciation. This measure helps to prevent any delays in the creation of training manuals or other project-related materials.

Lastly, e.Gen Consultants Ltd. maintains regular and transparent communication with its clients regarding payment and cost-related issues. By fostering open lines of communication, the company can promptly address any concerns or disputes, facilitating a smoother payment process and minimizing payment delays.

4. Recommendations

Enclosed is a visual representation in the form of a flowchart, outlining strategic recommendations aimed at assisting not only e.Gen Consultants Ltd. but also various other domestic and global project management firms in effectively addressing and surmounting recurrent challenges.

This comprehensive flowchart delineates actionable steps and insights that can empower organizations to navigate obstacles routinely encountered in their operations. Furthermore, it serves as a blueprint for overcoming these hurdles by suggesting innovative approaches and best practices that draw from the experiences of e.Gen Consultants Ltd. and analogous entities.

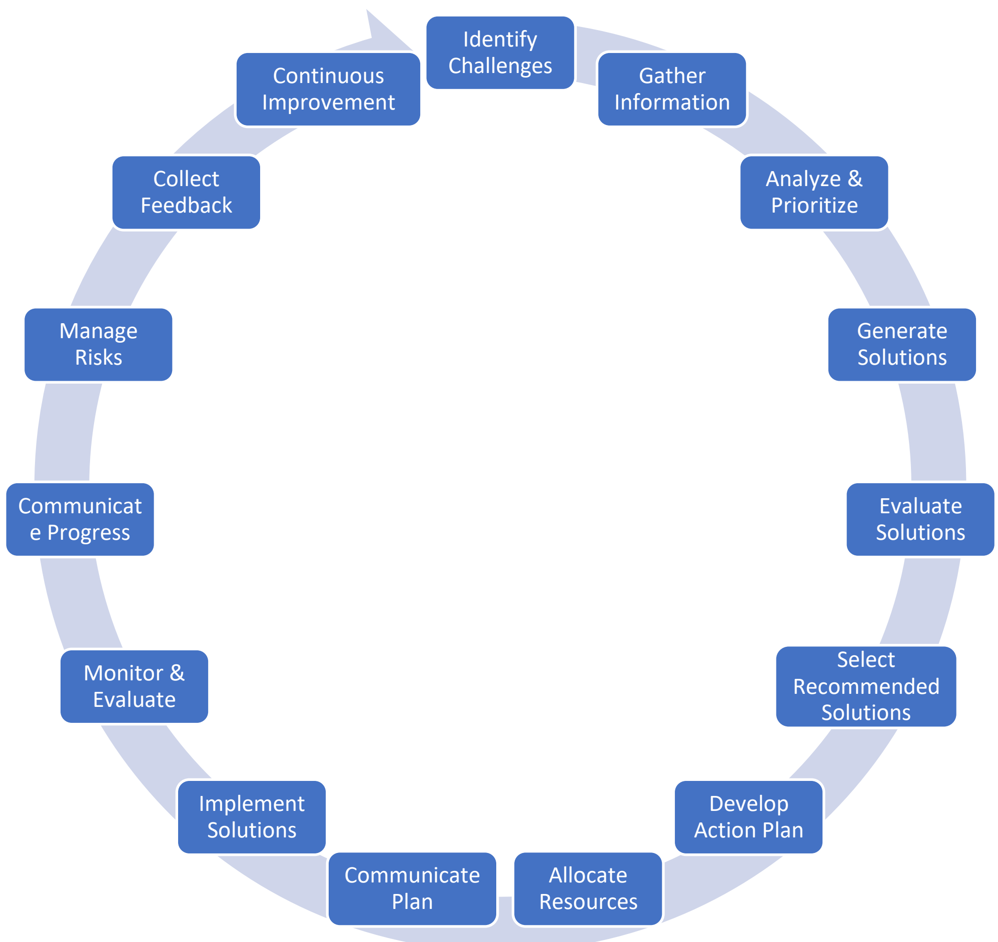

Fig 4.1: Flowchart representing strategic recommendations for domestic and global project management firms

1. **Identify Challenges:** Begin by identifying the specific challenges or issues faced in the project. This could be related to project delays, budget overruns, scope changes, payment delays, or other issues.
2. **Gather Information:** Collect detailed information about the challenges, including their causes, impact on the project, and potential consequences if not addressed.
3. **Analysis and Prioritization:** Analyze the collected information to understand the root causes and prioritize challenges based on their severity and potential impact on the project's success.
4. **Solution Generation:** Brainstorm potential solutions for each identified challenge. Involve relevant stakeholders, team members, and experts to contribute their insights and ideas.
5. **Evaluation of Solutions:** Evaluate each solution based on its feasibility, cost-effectiveness, alignment with project goals, and potential to address the identified challenge effectively.
6. **Selection of Recommended Solutions:** Choose the most viable and effective solutions for each challenge. Sometimes a combination of solutions might be necessary.
7. **Action Plan:** Develop a detailed action plan for implementing the recommended solutions. Define specific tasks, responsibilities, timelines, and resources required for each solution.
8. **Resource Allocation:** Allocate necessary resources, including budget, manpower, and technology, to implement the solutions effectively.
9. **Communication:** Communicate the chosen solutions and action plan to all relevant stakeholders, including team members, project sponsors, consultants, and external partners.
10. **Implementation:** Execute the action plan, monitoring progress closely to ensure that each solution is being implemented as intended.
11. **Monitoring and Evaluation:** Continuously monitor the progress of solution implementation. Evaluate their effectiveness in addressing the identified challenges and make adjustments as needed.

12. **Communication of Progress:** Regularly communicate the progress of solution implementation to stakeholders. This helps maintain transparency and manage expectations.
13. **Risk Management:** Identify potential risks or obstacles that might arise during the implementation of solutions. Have contingency plans in place to mitigate these risks.
14. **Feedback Collection:** Collect feedback from team members, consultants, stakeholders, and beneficiaries to gauge the impact of implemented solutions.
15. **Continuous Improvement:** Use the feedback and evaluation results to refine and improve the solutions over time. Incorporate lessons learned into future projects and processes.

5. Conclusion

In summary, the experiences of e.Gen Consultants Ltd. shed light on the intricate landscape of international project management and consultancy, where complexities and uncertainties are integral aspects of the journey. The COVID-19 pandemic's disruptive influence underscored the imperative of resilience and adaptability, as project timelines and resource dynamics became susceptible to external upheavals. This underscores the necessity for strategic flexibility and robust remote work capabilities in the contemporary project environment. The company's encounters with project budget overruns bring into focus the essential nature of meticulous planning, risk anticipation, and proactive scope management. These factors play pivotal roles in averting unanticipated expenses and demands that can erode project viability. Furthermore, the ramifications of payment delays emphasize the intricate interplay between financial stability, stakeholder relationships, and project advancement. The repercussions of delayed payments extend beyond fiscal strain, extending to tarnished reputations, protracted project timelines, and potentially strained stakeholder trust. Navigating these challenges positions e.Gen Consultants Ltd. as a noteworthy model of tenacity in the face of shifting circumstances. The imperative for innovative strategies, transparent communication, and thorough preparation remains the cornerstone of success in international projects. Moreover, the significance of cultivating enduring partnerships with clients, collaborators, and consultants cannot be overstated. Such relationships form the bedrock of a collaborative ecosystem equipped to weather unforeseen storms and preempt potential setbacks. As the terrain of international project management continues to evolve, these insights underscore the indispensability of agility, foresight, and adaptability. Companies that aspire to effect positive global change must internalize these qualities, forging a path that not only surmounts challenges but also paves the way for meaningful and sustainable impact.

6. References

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