



Inspiring Excellence

Internship Report

On

**Cost Benefit Analysis of Automation: An Introduction to
QuickBooks in Deligram Technology Ltd.**

Submitted to

Saif Hossain

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Letter of Transmittal

27th November 2018

To

Saif Hossain

Assistant Professor and Coordinator (BBA)

BRAC Business School

BRAC University

Subject: Submission of Internship Report on Cost Benefit Analysis of Automation: An introduction to QuickBooks in Deligram Technologies Ltd.

Dear Sir,

It is my greatest pleasure to present my internship report. This report is the outcome of my internship program done in Deligram Technologies Ltd.

I have really enjoyed working in the finance department of Deligram and was able to learn a lot and apply my knowledge of QuickBooks in the organization. Throughout my journey in Deligrqam I have tried my best to collect information to provide a depth to this report.

I sincerely hope that this report will satisfy your requirements and provide an insight to the implication of QuickBooks from an organizational perspective. Hopefully you will be able to discover my hard work, well researched, informative approach through this report. Furthermore, I will be delighted to express my experience about working here if I find an opportunity.

Yours Gratefully,

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Acknowledgement

This report is the result of accumulated cooperation of numerous generous beings. Firstly, I would like to thank Almighty Allah for bestowing His blessings upon me to write this report and finish it within the deadline given.

Secondly, I would like to express my deepest gratitude to my supervisor Mr. Saif Hossain. I have always admired him as my faculty and was very excited to work under him in completion of this report.

I would also like to thank my supervisors in Deligram Mr. Kazi Tahmid Imam and Mr. Md. Mohiuddin Raju to always have faith in me and never shying away from assigning me with complicating challenges, believing that I could handle it. I would also like to thank Mr. Ridwanul Haque Hridoy for always assisting me and show me the real world of finance. Words are not enough to show my gratitude and regards towards them

I would also like to thank our CEO Mr. Waiz Rahim to acknowledge my recommendation and install QuickBooks as the accounting software for Deligram, without which I would not be able to attempt this report.

Finally, I thank my organization, BRACU, and Office of career service for providing me the opportunity of self-realization, self-development through practical experience, and opportunity of taking the taste of incorporating academic knowledge with practical knowledge.

Last but not the least I would also like to thank my mother and brother for taking care of me and providing me with mental support. Finally I put my best effort to prepare this report accurately and informatively. However, I apologize if any error finds here due to my limited knowledge and aptitude as well as time constraint. In this regard I seek your kind consideration since I am in the continuous learning process.



Executive Summary

Deligram Technologies Ltd. started its humble beginning in the year 2017 during November. However, in matter of months it has grown through its operations in Cumilla. Also, within a very short period time they have also managed to spread their Chittagong and Madaripur. Recently, they have also entered Dhaka and since then have been keeping busy to get themselves established.

At the beginning of my tenure as a finance intern in Deligram, I noticed that the finance department of the organization had a lot of disorders. It was mainly dependent on the hardcopy vouchers backed by the Microsoft Excel documents but there was no cloud-based accounting software to support the overall accounts system. Furthermore, prior to introduction of QuickBooks, the department had to prepare financial reports manually which would take around a week. They also had problems with inventory management as a lot of their products were either being stolen or misplaced.

In this report, I will be discussing, how QuickBooks has helped the finance department of Deligram to overcome their prior issues and whether they faced any difficulty post-installation of QuickBooks.

I was really excited to work here in Deligram and had the chance to imply my QuickBooks knowledge in the organization. Truly, learning QuickBooks was the best investment I have ever made.



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CHAPTER 1: AN OVERVIEW OF THE COMPANY



This section emphasizes on the historical background of the company, their objective, product/ service offering and their vision for the future.

Historical Background of the Company

Deligram is an e-commerce site which started its journey in 4th November 2017. It was founded by Waiz Rahim and is affiliated with Rahimafrooz. It is mostly funded by foreign venture capitalists and has not yet issued any loan.

Objective of the Company

The primary objective of Deligram is to promote e-tailing through offline means. For this reason, they mainly focus on acquiring agents by contacting with different retailers and wholesalers around the country. They also provide online means of trading through their websites.

Product/Service Offering

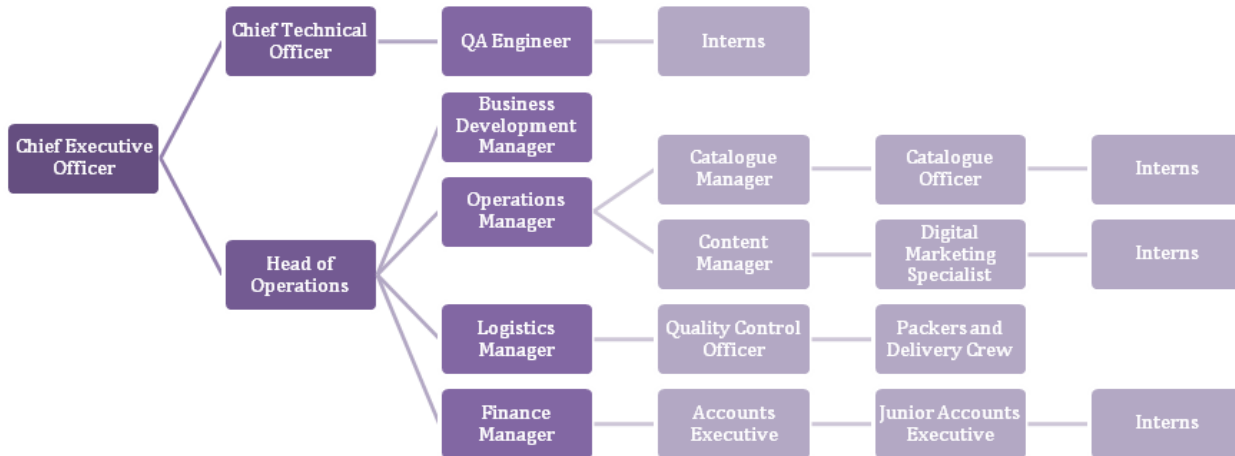
Much like the other e-commerce sites, Deligram focuses on providing the best quality of products with prompt delivery time with reasonable. This involves keeping profitable relationships with their vendors. Deligram, now has over 40 vendors who ensure providing the best quality products at a reasonable price which would satisfy the end consumers.

Vision for the Future

Deligram commenced with their soft opening in Cumilla in January 2018. As they are now successful in Cumilla, they have started to spread their operations in Dhaka as well. They are also very popular in Madaripur and Chittagong. As of now, they are planning to start their venture in Bogra, Nilphamary, and Rajshahi. Since they mostly trade through their websites but in Bangladesh smart phones are more popular than computers, Deligram will soon launch their Moblie App to provide the benefit of shopping on the go.



The Organization Structure of Deligram



Deligram is divided into two sub-organizations, the Operations team and the Technical Team, both of which are headed by the Chief Executive Officer. The Operational team is headed by the Head of Operations and is dedicated to oversee the Business Development, Operations, Logistics, and Finances. Each of these departments are headed by the managers, who have assistant managers, executives or in some cases officers working under them. The Technical team is dedicated to providing every kind of technological support and develop the websites through which most of the orders are placed. The team is headed by the Chief Technical Officer and he has a team of 15 software engineers working under him. Both the teams have several interns whom they very eagerly apprentice.



CHAPTER 2: JOB DESCRIPTION



Deligram is a start-up company with a team of 30 employees which means as an intern it had given me enough room to show my skills and maneuver my propositions. The small-to- mid-sized company had always encouraged me to voice my opinion even as my position as an intern. The highlight of my tenure as an intern in Deligram would be the successful installation QuickBooks under my recommendation.

Deligram was thinking of computerizing the Finance Department and they were discussing their plans with me, the finance intern. They were thinking about installing Tally.ERP9 but I showed them QuickBooks as a better alternate accounting software as it provided better user interface and easier interactions. Also QuickBooks allowed better generation of Accounting and Audit Reports.

My primary responsibility was to enter 7-month data into the new accounting software. I initially had difficulties understanding the procedure although I had initial training on QuickBooks I had never used it from an organizational perspective. Consequently, Deligram had sent me on a training course to ACE Advisory where they taught me QuickBooks from an organizational perspective.

Furthermore, I also get to keep the records of daily expense vouchers. In numerous cases, I also get to do the analysis of different products, figuring out which of the category had the highest sales. This is mainly done through Microsoft Excel.

However, one thing I would like to point out in the accounts department is the delegation of the jobs. Initially, before the installation of QuickBooks, there was a bit of puzzled situation in the organization. Though, the situation was thoroughly controlled after the introduction of QuickBooks.



CHAPTER 3: COST BENEFIT ANALYSIS OF AUTOMATION: AN INTRODUCTION TO QUICKBOOKS IN DELIGRAM TECHNOLOGY LTD.



Part 1: Description of the Project

The following section discloses the objective of this report, which is an accumulation of several research and observation backed up by some theories. The section also deals with what sort of methodology was used in the preparation of this report.

Literature Review

The report is the result of my personal experience working in Deligram; as a result there has not been much literature to support the report. Moreover, the organization is a start-up so there have not been many studies which have been conducted on the organization. However in order to gain an in-depth theoretical knowledge on QuickBooks, I referred to some blogs and websites dedicated to providing any knowledge and technical help regarding QuickBooks.

ReachAccounting.com let me discern the drawbacks of Tally, and how QuickBooks helps to overcome those shortages. The website pointed out many flaws of Tally which would not have been suitable for an e-commerce firm, such as there was no option for inventory management, accounts payable or accounts receivable. Moreover, there was no default setting, which means in order to correct an error you had to do the journal entry all over again.

CreditDonkey.com is another website which polarizes the features of QuickBooks. The website looks at QuickBooks from both side of the coin. It points out how QuickBooks helps to keep track of all expenses, accounts receivables, accounts payables and payroll. However, the site also points out that the problem will arise when there is no internet connection.

QuickBooks-Training.com compares and contrasts between QuickBooks Essential and QuickBooks Plus.

Objectives of the Project

The primary objective of the report is to see the changes in the Finance Department of Deligram and whether the software has improved the impromptu situation.

The report also touches on other topics such as why Tally is not being used instead of QuickBooks despite its popularity in South Asian countries, and new challenges faced by Deligram because of QuickBooks

Methodology

The methods I used to research on the report were mostly based on my observation and personal experience in Deligram. I have also had conversations and conducted interviews with many employees of the finance department of Deligram, who were very eager to share their problems and their views.

Since Deligram is a start-up company, there was not much secondary information which would have helped me to support my report. However, I have done many extensive studies on QuickBooks by reading journals, blogs and websites.

Limitations

I have not experienced a lot of difficulties working on this report, since I already had some prior training on QuickBooks. However, the organization where I have done my internship is a start-up, so I had to do a



lot of research to know more about their background information, but the staff has been very helpful and co-operating in helping me to write this report.

I would also like to point out that this report has been prepared entirely from the perspective of an e-commerce business; it might not work on work on any other kind of business or trade.



Part 2: Findings

This part is divided into eight sections, which will help the reader to discern the situation in Deligram before and after the introduction of automation through QuickBooks. The reader will also see the results and views of different employees.

Section 1: An Introduction to QuickBooks

QuickBooks was developed by Intuit in the year 1983. It is very popular accounting software which is targeted towards small-to-medium sized businesses. It allows cloud-based as well as desktop version of accounting application that accept business payments, manage and pay bills, and payroll functions.

The reason why QuickBooks was chosen as the accounting software for Deligram is because it is the most suitable form of accounting software for a start-up and later as the company grows it could be easily upgraded to QuickBooks Enterprise. Furthermore, QuickBooks provides an extensive form of inventory management which is very crucial for an e-commerce venture. Moreover, QuickBooks is far easier to operate and has a very interactive user interface. Lastly, QuickBooks provides a lot more features than any other accounting software at a much cheaper rate (at \$31/month).

Section 2: A brief description of the finance department of Deligram prior to installation of QuickBooks

Ever since Deligram commenced their business in November 2017, they were incurring several expenses, which gave rise to several financial entries and accumulation of several vouchers. According to Mr. Zabeed Hossen, Junior Accounts Executive of Deligram, each day there were around 300 entries. These entries were entered in Google Sheets backed up by serially maintained vouchers. They were keeping their accounts like a common confectionary store.

At the end of each month, the Finance Manager, Mr. Mohiuddin Raju had to construct the financial documents manually, going through two boxes of vouchers. The process was time consuming and prone to mistakes.

Deligram also had problem managing their inventory. As they constantly had to deliver their products to Cumilla most of their products were either lost in transit, damaged, misplaced or stolen, and they had no idea how to track those products.

Mr. Mohiuddin also had difficulties reconciling his cash book with the bank statement as he had to go through each and every voucher and match them with the bank statement. The worst problem they faced was reconciling the cash withdrawals from the bank account and trying to track down exactly how they were spent.



Section 3: The recommendation

When I joined as an intern in Deligram I was overwhelmed to see the amount of paperwork and two huge boxes containing only vouchers. I was puzzled about how and from where to begin my work. Initially, I had to work with Mr. Mohiuddin and manually prepare the financial statements and reconcile the bank statements with the cash book. The simple process took us two weeks to complete. This made me realize that this whole process could be shortened to only five days if we had used accounting software.

The next day, I decide to express my concern to Mr. Mohiuddin and suggested him that Deligram needed accounting software which would ensure efficiency, effectiveness and precision. He asked me what I thought would be the best accounting software for this organization and I was quickly to point out that since it is a start-up the best accounting software would be QuickBooks. However, he was concerned about the training cost and consumption of working hours. I assured him that initially it might be a bit time consuming as we had to enter data of over eight months and the load was piling up day by day but once we got all the data ready for the system it would only take few clicks to construct complicated reports as QuickBooks has over 65 built-in reports, including Balance Sheet, Profit and Loss and Audit Report. I also explained him how QuickBooks easily tracks the accounts receivables and payables and informs the user as the payment date approaches (one week notice till deadline). As far as the training cost was concerned, I told him that I had the initial training but had never implied it on an organizational setting.

Mr. Mohiuddin thought about the whole idea and presented it to Mr. Waiz Rahim, the Chief Executive Officer and Mr. Kazi Tahmid Imam, the Business Development Manager of Deligram who approved of the proposition and made all the arrangements.

Section 4: Why QuickBooks but not Tally?

Initially, Mr. Mohiuddin, who was familiar with Tally, was skeptical about QuickBooks and raised the question that why could not we install Tally. I was quick to point out several drawbacks that Tally possesses such as there is no cloud-version and allowed only one user at a time while QuickBooks Plus provided with the facility of five users including the accountant. Tally also had only the offline version which means in case of system failure the whole data may be lost and there is nothing saved on the back-end which would allow retrieval of data. Tally also proffers very low security, once you lose or forget the password there is no way you retrieve the information on which you have worked so hard on. I also explained my line manager that as the business grows it would be difficult working with the backdated software and Tally does not really have any useful upgrades while in QuickBooks as the business grows the user can easily upgrade to QuickBooks Enterprise with all the data intact. Moreover, QuickBooks also does not provide any default settings which means you cannot undo any of your mistakes. Once you have created the journal voucher it is not possible to make changes in it. In Tally ERP once you have set the level of the items in the inventory you cannot set the level once again after the reorder. This makes it very rigid and difficult to use. Furthermore, to prove how easy QuickBooks was compared to Tally, I showed him in the Trial Version on QuickBooks how user friendly QuickBooks was. I also suggested that Tally has a very bad integration with invoicing modules and does not provide features on accounts payables or receivables, etc, unlike QuickBooks

I also stressed on how Tally was an efficient software for expense management but it does not provide other accounting features. Personally, I also believe that Tally is solely popular in Bangladesh because of its popularity in India.



Section 5: The installation and the training

For our organization we had to make a decision on which QuickBooks package was best suited to our needs and after analyzing for about a week we decided that online version of QuickBooks Plus was the most suitable to our current needs and situation as it offers inventory management, expense tracking, and payroll management. It also offered the construction of over 65 reports and offered a very interactive and easy user interface.

As mentioned earlier that my knowledge on QuickBooks only extended to classroom, I did not have the opportunity to use it in practical life. Consequently, Mr. Waiz Rahim arranged for Mr. Ridwanul Haque, the Accounts Executive and I to be trained in ACE Advisory, a prestigious Accounting Consultancy Firm.

However, before joining the training session, I was asked by my superiors to provide them with basic trainings as I was the only one in the organization who had some knowledge on QuickBooks but lacked the practical experience. After our basic trainings on QuickBooks for a week, we were sent to ACE Advisory, where I learnt QuickBooks from a very different angle. The training took only 6 sessions and we were mainly taught how to manage and classify our entries. For instance, Deligram had divided their bank accounts into four categories, namely Parent Bank Book, CAPEX/OPEX Bank Book, Vendor payments Bank Book and Market Operations Bank Book. They also divided their Cash Books into two categories, i.e, Parent Cash Book and CAPEX/OPEX Cash Book. ACE Advisory taught how to manage and keep track of these six different sources of money.

Section 6: After the Training

After six sessions of training at ACE Advisory, we were very efficient and got to practice QuickBooks till we had an expert level of knowledge. Our first task was to arrange each and every in chronological orders and as I have mentioned before that there were two big boxes of vouchers, thankfully this was task was made easier as we had maintained chronological financial events on the Microsoft Excel all we had to was match the Excel Sheets with the voucher to check the validity. The task took about five days.

When we were done with the arrangements of the paperwork, we got to work with QuickBooks, all we had to was enter the information from the Excel files to the QuickBooks cloud. The process took about a month as there were eight months worth of entries

Section 7: The situation in the Finance Department post-installation to QuickBooks (An analysis)

In this section I have conducted interviews with various employees of Finance department of Deligram who have shared their experience after the installation of QuickBooks.

Mr. Zabed Hossen, the Junior Accounts Executive of Deligram stated that previously he had to record each and every transactions in Microsoft Excel and from there he had to do double entry system, but in QuickBooks if you just entered the transaction in one account the other accounts would also be affected as there is built-in double entry system. He also stressed on how easy now it was for him to track the cash.

Mr. Ridwanul Haque, who mostly carried out the Cash Withdrawals from Bank Account expressed that he was very happy to learn this software and said that the software has greatly reduced the workload.

The Finance Manager, Mr Mohiuddin Raju, who had previously undertaken the task of preparing the Financial and Audit reports lauded the built-in reports which reduced the pressure on him.



I also made some observations around the department was very relieved to see how transactions are being carried out in orderly fashion.

The department also did not have to worry about losing any of the vouchers since QuickBooks allowed the pictures of the vouchers to be taken and saved along with the entries.

Also before the introduction of QuickBooks, Deligram was consistently missing out the submission of their Audit Reports.

The software can also prepare invoice and sends an email to vendor and customers. QuickBooks also notifies the user about any approaching deadlines or whether the stock has reached below the reorder point.

However, there are some drawbacks of QuickBooks. Since Deligram has subscribed to the online version of QuickBooks, the problems arise when the internet connection is down, the entire transactions has to be done online and sometimes when the internet is slow or down, an entire day could go to waste.

Furthermore, though I had some knowledge on QuickBooks, it definitely is not a software for beginners and requires some basic knowledge on accounting. There is a definite learning curve that requires time and patience.

Section 8: The Results

The outcome of subscribing to QuickBooks have been astounding. The work which previously took two weeks to be completed is now being completed in only five days. The software allowed a very easy reconciliation of cash book with the bank statements.

Overall, the management had been very happy with the installation.

Conclusion

To conclude, I would say that the installation of QuickBooks had a very positive impact on the Finance Department of Deligram. From this research I could learn that it is very important to learn an accounting software for all the students.

It would be my recommendation for universities to encourage students to learn an accounting software.



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