



Internship Report

*BUS-400, Spring-2019*

Submitted To:

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Submitted By:

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Submitted On: 30th April 2019



grameenphone

**“Factors Influencing Digital Entrepreneurship and Role of  
Grameenphone to Promote Entrepreneurship in Digital  
Ecosystem”**

**30th April 2019**

Mr. Shamim Ahmed

Lecturer

BRAC Business School,

BRAC University

**Subject: Letter of Transmittal for Submission of internship report**

Dear Sir,

First of all, I would like to take the opportunity to thank you for your important advice, direction, and assistance throughout this internship period as my advisor. I hereby submit my internship report titled **“Factors Influencing Digital Entrepreneurship and Role of Grameenphone to Promote Entrepreneurship in Digital Ecosystem”**. This report has played a critical part in completing my credit course BUS-400.

In my internship period, I have worked for Grameenphone’s Startup Ecosystem under Digital Division. This department has two entities and these are WhiteBoard and GP Accelerator. This department deals with creating a hub for startups around the country through digital innovation. My departmental activities have driven me to the selection of the report topic.

In this internship program, I have learned in depth about the organization and made practical implication for academic theories. I would like to thank my supervisor for the internship Mr. Muhammad Sohel Rana, with his guidance I have got to learn a lot through this internship program. I thank you and my supervisor for the constant guidance throughout internship tenure.

Sincerely,

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Bristy Das Moni

ID: 14204062

## Letter of Endorsement

To Whom It May Concern

### **Subject: Approval of the Internship Report**

This letter is to certify that, all the information mentioned in this internship Report titled as **“Factors Influencing Digital Entrepreneurship and Role of Grameenphone to Promote Entrepreneurship in Digital Ecosystem”** has been submitted to the BRAC Business School, by Bristy Das Moni ID: 14204062 for the completion of her Bachelor of Business Administration degree. The report has been accepted and may be presented to the Internship Defense Committee for evaluation.

I wish her all the best and hope that she will lead a successful career.

---

Mr. Shamim Ahmed  
Internship Supervisor Faculty  
Lecturer,  
BRAC Business School  
BRAC University.

## Acknowledgment

This report is an exploratory research report with qualitative research data through observations and interviews. This research also lights upon Grameenphones contribution to the startup ecosystem. For completing the report successfully I needed cooperation and support from BRAC Business School and Grameenphone. And I feel privileged that I got the outmost support from both the organizations all throughout the process.

I would like to start with expressing my gratitude to my internship advisor Mr. Shamim Ahmed for providing me valuable advice and guidelines for preparing this report. He has been a constant support all throughout the process of the report. Alongside providing me with structural support for the report he has given his valuable time to give me advices regarding the report through his consultation time. Next, I would like to thank my internship Supervisor at Grameenphone Mr. Muhammad Sohel Rana. Along with that I would like to acknowledge my department head Mr. Minhaz Anwar. Because of them I could learn many things that I can use in future job fields. I also express gratitude to them for giving me opportunity and freedom to work and give opinions when necessary. I would also like to thank all the participants who has helped me to complete this report with their valuable input. The participants have given their valuable time from busy schedules to provide me with information for the report.

During my internship at Grameenphone I have had the opportunity to take part in different trainings, events and open forum discussions. I express my gratitude to the Grameenphone People and Organization division for giving me an opportunity to learn and explore more through this internship.

## Executive Summary

The research report titled “Factors Influencing Digital Entrepreneurship and Role of Grameenphone to Promote Entrepreneurship in Digital Ecosystem” is aimed at exploring what are the key drivers for digital entrepreneurships. This also explored the effectiveness of Grameenphones contribution to the digital startup ecosystem. Grameenphone being one of the fast movers of telecommunications industry has influenced massively in Bangladeshi market and way if communications. Grameenphone Accelerator is also the pioneer of dedicated program for startups in Bangladesh being a big corporation. The digital entrepreneurship fairly a new concept for Bangladesh. Even though the trend has started 10 to 15 years earlier in western countries. There has not been enough research done on this concept of digital entrepreneurships. The influential factors to start digital entrepreneurships are yet not clearly defined. So, from the context of Bangladesh I have explored few factors that is playing important role in the digital entrepreneurship process. In the very beginning of the research I have mentioned that this paper is based on exploratory research based on primary and secondary data. The main respondents were people who are involved in digital ecosystem and secondary data included related published materials. To explore these factors as mentioned in report title I have interviewed and conducted focused group discussions with 15 people. The answers have been taken as base for secondary research. The data has been presented analyzing both the primary and secondary research data. I have been able to come up with four factors that were identified as most important factor for motivating them to digital entrepreneurships. These factors are success rate of digital startups in Bangladesh, Governments positive attitude to digital entrepreneurship, growing supports from private sectors and the massive consumer market for digital products. The respondents have also ranked Grameenphone as a leader among private corporations to extend the hand of support for digital entrepreneurships. Based on the data the analysis and interpretation were discussed in the report. There were no conclusive decisions for this report but the report surely keeps a greater scope for further research. Lastly, there were some recommendations that were made by respondents and also in different published reports. These recommendations were incorporated in the end part of the report. Therefore, I should say that this report has shaded light upon the most important factors for digital entrepreneurship rise in Bangladesh and have also included drawbacks that might hinder the process

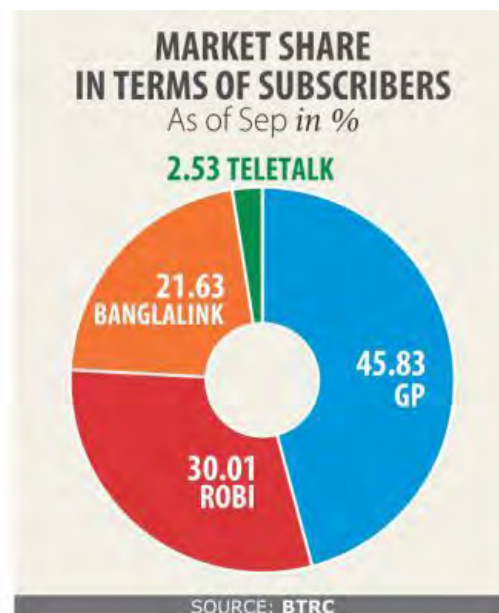
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# Industry and Organization Overview

## Telecom Industry in Bangladesh

Bangladesh is a country with a huge base of mobile phone subscribers. The market of the telecom industry is very aggressive due to intense competition. According to BTRC data of February 2019, the total number of mobile phone subscribers are 158.438 million. Among which 73.470 million belongs to Grameenphone, 47.025 million subscribers to Robi and Airtel, 34.022 million to Banglalink and 3.921 million subscribers belong to state-owned Teletalk.



The number of subscribers is increasing year by year but the market share tends to remain the same amongst the operators. Grameenphone remains to be the leader in this sector for over a decade. The position of Robi got a significant raise after a merger with Airtel. But to keep competitiveness of the telecommunication industry well aligned Grameenphone has been handed Significant Market Power (SMP) on February 2019. This move was a major move from the government which might affect the competition among the market players. This might help the other three operators to gain a major chunk of shares in the telecommunication market. The move may restrict Grameenphone's business growth. This mentions the do's and don'ts for Grameenphone. BTRC sources mention that the commission is working on eight points and Grameenphone might face additional charges along with the regular tax rate for customer

[1]





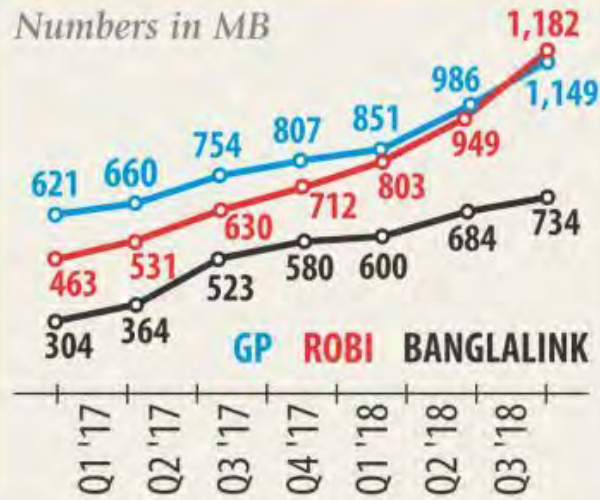
acquisition in coming days. BTRC plans to apply additional prices to Grameenphone’s charges and call rates and the benchmark rate for different voice and data services might be different from the remaining three operators. The SMP restrictions are imposed when an operator crosses 40% of total subscribers, revenues and spectrum in accordance with the regulations of BTRC. BTRC has categorized Grameenphone as SMP based on two factors revenue and subscribers. In 2018, Grameenphone consisted of an active customer base of 46.33 percent. For the last few years, its revenue share of Grameenphone has been over 50 percent.



Bangladesh has entered into 3G era back in the year October 2012 and 4G era in February 2018. Mobile data usage stood 46% after the 4G launch. It has been reported that the telecom regulator has started its initial phase of awarding the license to operators for 5G mobile service within the year 2020. BTRC would be working along with carriers on ensuring smooth 5G service throughout the year 2020. 4G has already a huge customer base of 1.17 crore within a short period of its inception and 3G user base is of 6.35 crore. So, data use growth is showing a significant increase. The Information Technology minister has announced to launch 5G in the year 2021.



## MOBILE DATA CONSUMPTION (per user per month)



SOURCE: RESPECTIVE OPERATORS

Another significant factor that has affected the competitiveness of the Telecommunication sector is Mobile Number Portability (MNP). This facility was provided to subscribers of mobile network on October 1, 2018. In this process, the subscribers can easily apply to change their network providers to any network of their choice without changing the numbers. Robi has significantly gained from this process as they have the highest number of subscribers to join them and the lowest in comparison to joining.

## MOVEMENT OF SUBSCRIBERS OCT-DEC

OPERATORS	JOINED	LEFT
	72,005	20,406
	22,325	34,256
	10,491	49,658
	1,522	2,523

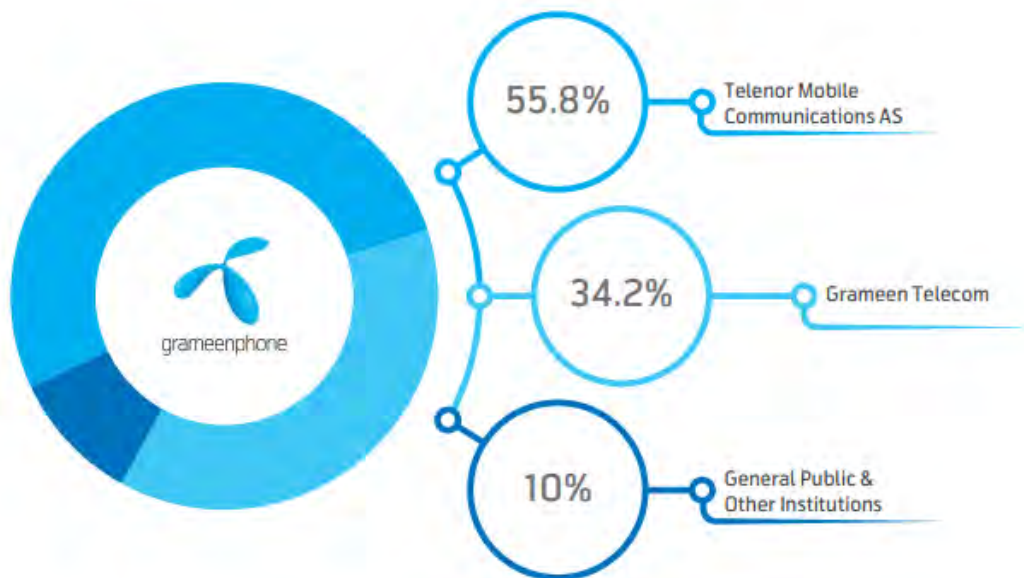
FAILED ATTEMPTS SO FAR: 85,368



# Organizational Overview

## About Grameenphone Ltd.

Grameenphone is the leading telecommunication service provider of the country with a customer base of more than 70 million. It had started its journey back in 26th March 1997. It was one of the first movers in the telecommunication sector of Bangladesh. Currently, it has a coverage of 99% of the country's people with its network service. Grameenphone is the first operator to do such massive coverage in Bangladesh.

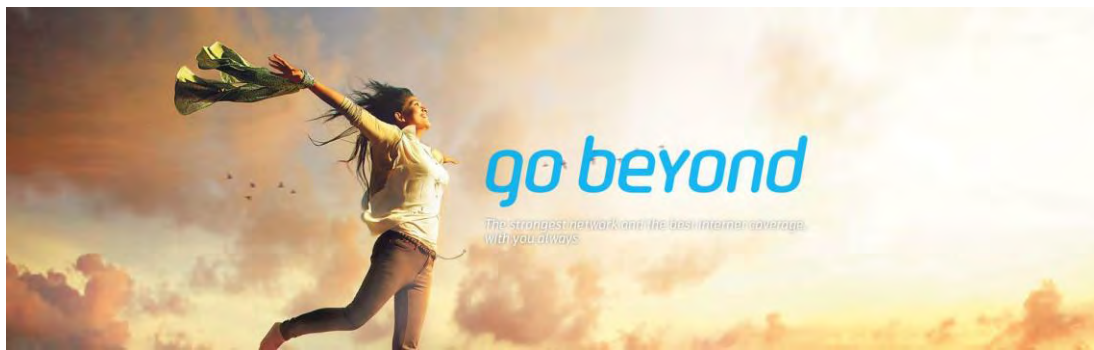


Grameenphone is a joint venture enterprise of Telenor Mobile Communication AS (55.8% shares) largest telecommunications service provider based on Norway with its operation in 12 other countries in Asia and Europe and Grameen Telecom (34.2% Shares) is a non-profit entity in Bangladesh established by Professor Muhammad Yunus, winner of the Nobel Peace Prize 2006. The rest of 10% of shares belong to the general public and other institutions. The company got listed in the stock market back on June 25, 2007.

Grameenphone with its promise to bring the best of communication technologies for its user uses the tagline “Go Beyond”. The Mission of Grameenphone is to give their customer full benefit of being connected, Grameenphone measures its success based on how passionately the customer is



promoting the brand. The vision of Grameenphone is to empower the society with the power of digital communications system, enabling the people to improve their lives, building and securing a society with a better future for all. Values of Grameenphone are: Making It Easy, Keeping Promises, Being Inspiring, Being Respectful. The brand promise of Grameenphone is ‘GO BEYOND’.



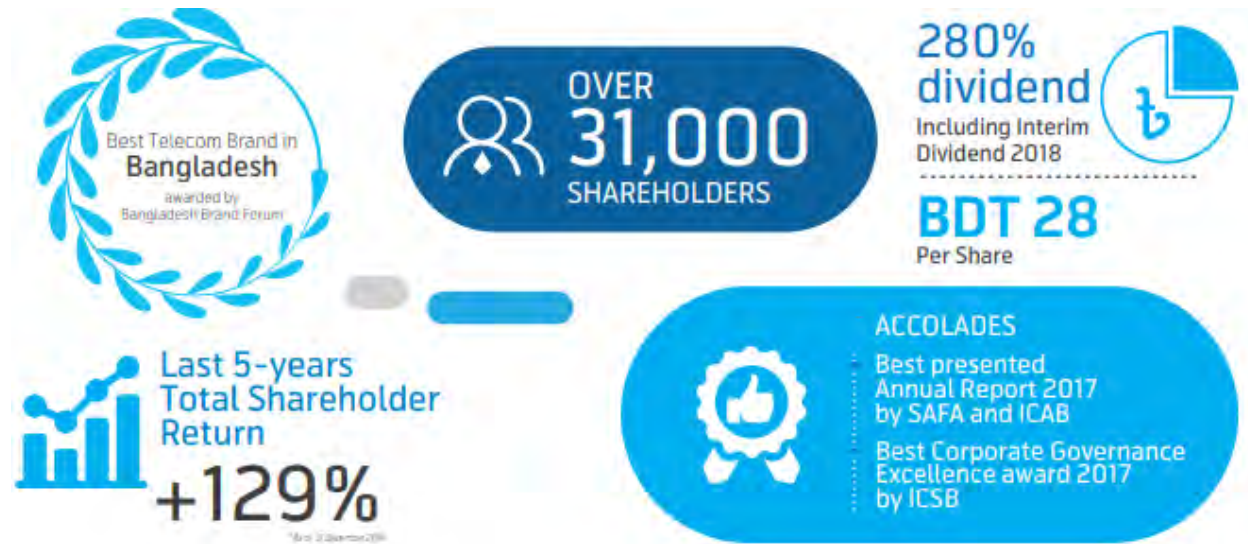
Grameenphone has played a significant role in the country’s socio-economic development. It has been the highest taxpayer to the government of people's republic Bangladesh over the years. Grameenphone has paid more than BDT 52,340 crore in direct and indirect taxes to the government. It has also heavily invested in network infrastructure development with a total investment of more than BDT 29,900 crore. Grameenphone employs about 3000 employees directly and 700,000 people are directly dependent on Grameenphone for their livelihood, working for the Grameenphone retailers, scratch card outlets, dealers, vendors, suppliers, contractor, and others. So it is playing a major role in the economic improvement of a huge number of people in the country.

Grameenphone has made a record profit of BDT 3,520 Crore last year. This is the largest profit they have made to date due to the significant growth in data and voice revenue. This profit was 28.47% higher than that of last year. It is surely creating monetary value for its investors.

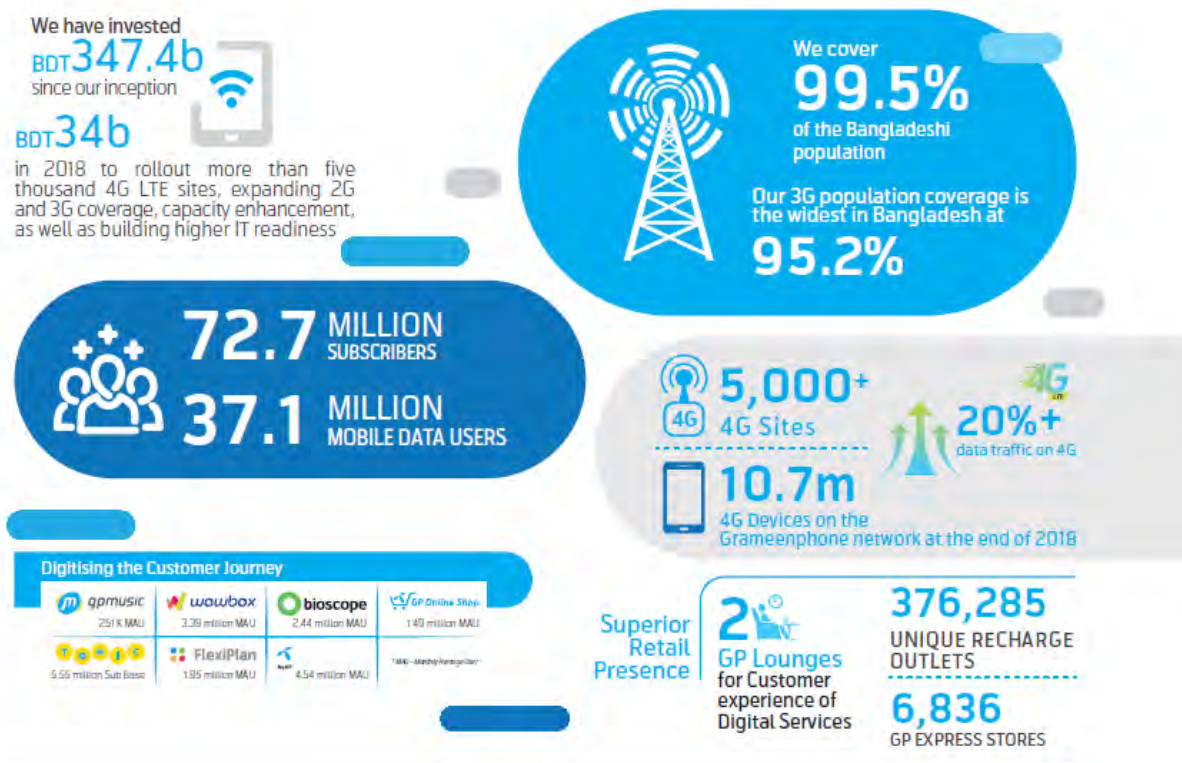




## Grameenphone's Value creation for investors:



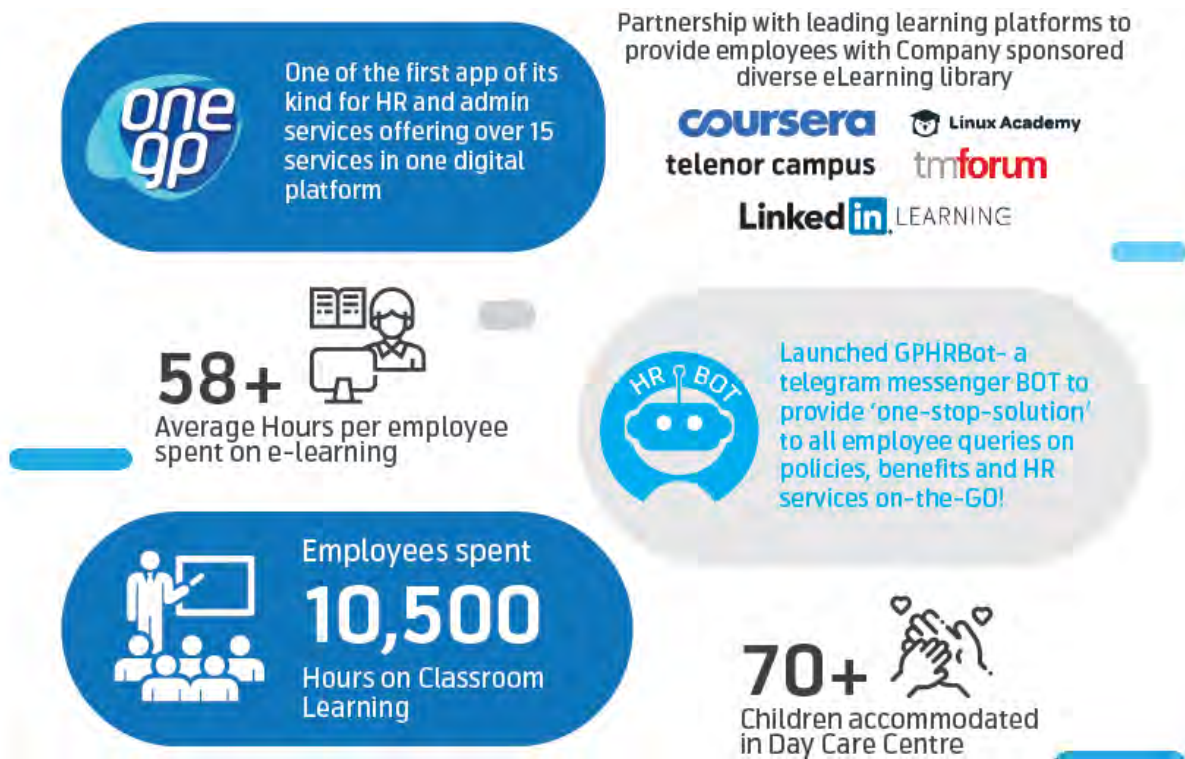
## Grameenphone's Value creation for Customers:



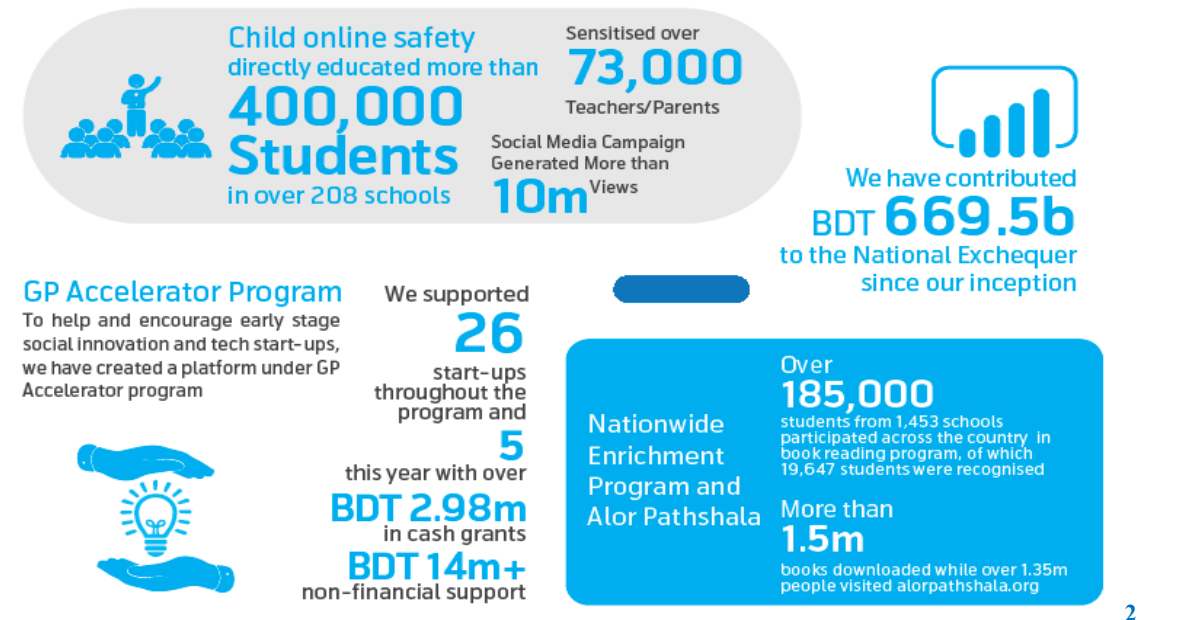
<sup>1</sup> Grameenphone Annual Report 2018



## Grameenphone's Value creation for employees:



## Grameenphone's Value creation for society:

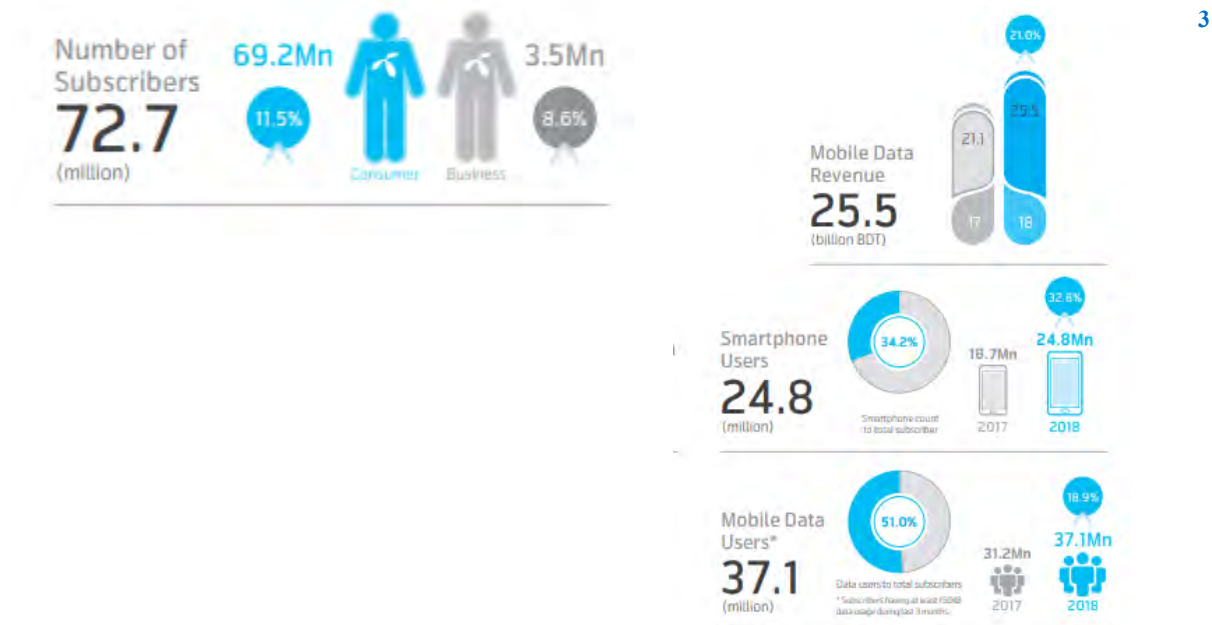


<sup>2</sup> Grameenphone Annual Report 2018



With Grameenphone's vision to empower society, it has been committed to the United Nations Sustainable Development Goal number 10 which is “Reduced Inequalities”. To achieve this goal Grameenphone is committed to leverage digital connectivity and services in an innovative way so that it can address different social and environmental challenges. Grameenphone with its aim to create safe digital platform participation for everyone has initiated a ‘Child Online Safety’ program. This is fundamentally aimed towards keeping children safe in online communication. To facilitate the process, a parents’ guide was developed in partnership with UNICEF and Telenor. So Grameenphone with its super quality of services working towards social sustainability like Access to quality education through 1.1million free books download, Disaster Support, e-waste recycling program.

### Subscription Information of Grameenphone Ltd:



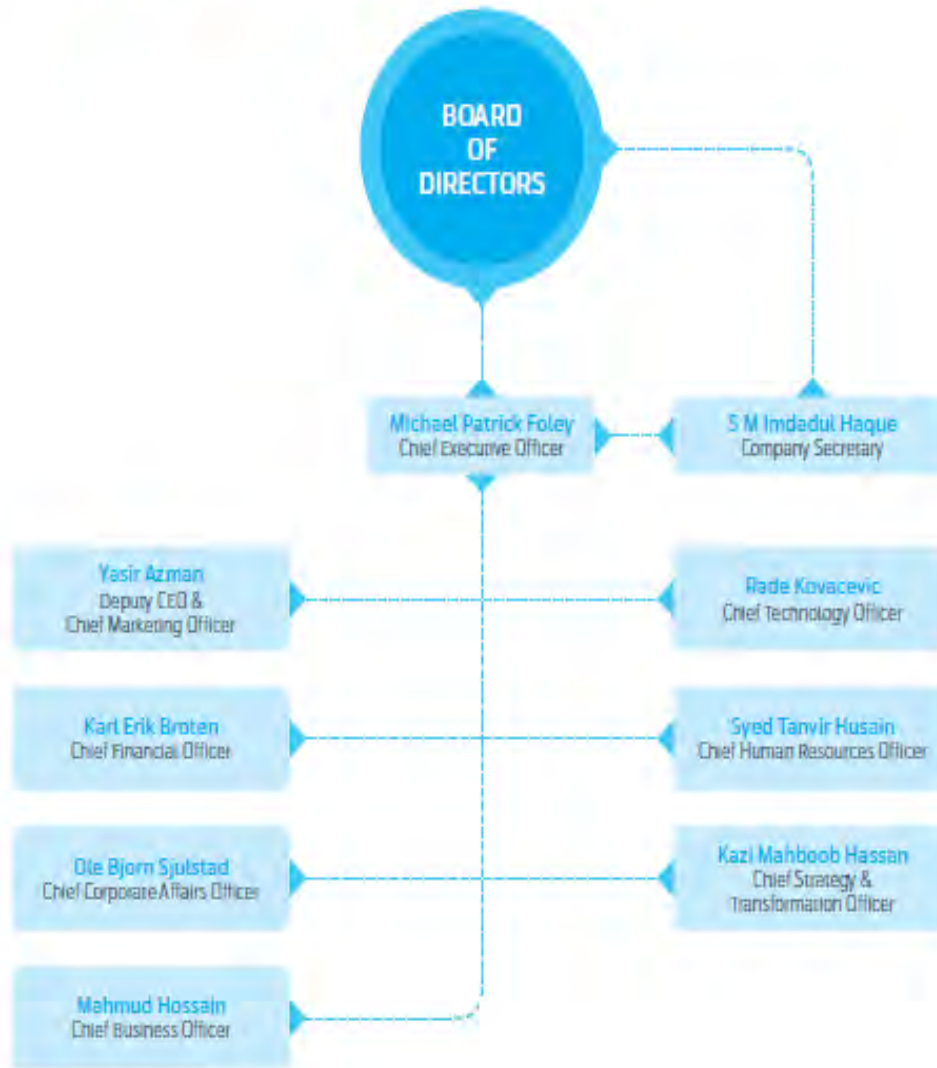
<sup>3</sup> Grameenphone Annual Report 2018



## Organizational Structure of Grameenphone Ltd

4

# ORGANISATIONAL STRUCTURE



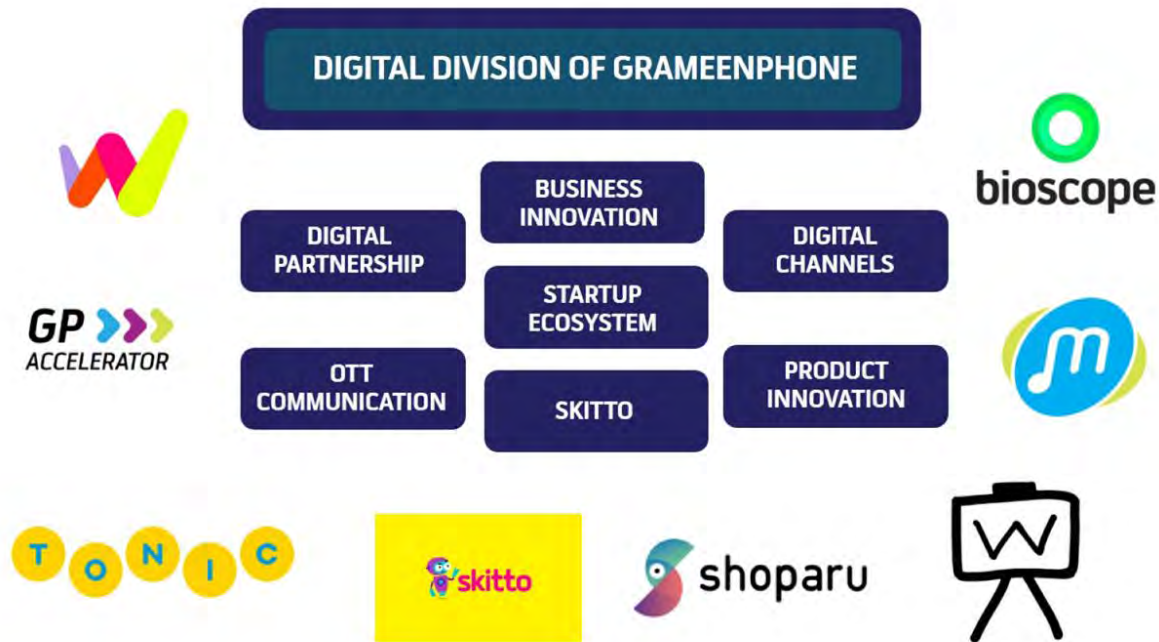


# About Internship Tenure

## Digital Division of Grameenphone

In my internship tenure with Grameenphone, I was assigned in Grameenphone's Startup ecosystem department under Digital Division. The main aim of the Digital Division is to ensure the best service of several digital products in Grameenphone's portfolio. The portfolio includes digital products like Bioscope, GP Accelerator, WowBox, Shoparu, etc. There are specifically 7 departments for this division. **OTT Communication** is the department which is actively working on enhancing customer experience through integrating chat services on different online entertainment of Grameenphone platform. **Digital Partnership** department deals with creating a partnership with different business organization and digital service providers. The aim is to create a revenue stream for Grameenphone through digital partnerships and providing API facilities for the partners. **Business Innovation** deals with digital services that serve different B2B channels of Grameenphone, Examples: Liquid Eye, Digi Cow, etc. **Product Innovation** provides several entertainment services to the Grameenphone subscribers in the online platform with content like Live TV, Drama, Movies, Music, Funny Content. The services under this department include Bioscope, WowBox, GP Music. **Digital Channels** works with the distribution system of several digital products like Shoparu, My GP, Bioscope, etc. **Skitto** is an especially designed digital product that targets people who are young, tech-savvy, heavily uses data. This SIM provides very personalized services with simple terms and conditions.





## Startup Ecosystem

In this internship with Grameenphone, I have closely worked for the Startup Ecosystem department. This is the department where we work to make sure newer technology and startups gets a platform to showcase their idea, get mentorship, training, and access to funding for their projects. There is no other telecommunication company in This department plays an integral role in adding value to society from Grameenphone’s side. It consists of two entities which are: Whiteboard and GP Accelerator. The core function and modality of these two entities are discussed below.

## GP Accelerator

The empowering nation is what Grameenphone believes in and has been working to do that for the last two decades. In this era of digitalization, it is important for us to step up and be a part of the change that is inevitable. Therefore, Grameenphone has been working closely with the local community of the developers, innovators, and startups via the outside in platform called GP Accelerator.

GP Accelerator is a structured approach to help early-stage tech startups through a curriculum-based program that provides seed funding, expert mentors, top-notch training, curated access to



GP assets, investor access and more. GP Accelerator, stepping into the year three, has now been seen as a credible platform and a source of inspiration for many as we have performed well against our ‘true intents’ of empowering the startups. The alumni of the program have been able to quadruple the value of their companies in just six months with two of the portfolio companies already crossing the USD 5 million valuation mark.



*Figure 1 Launching Event of GPA 2.0*

## **White Board**

Whiteboard is a community-based platform for startups and technology enthusiasts. It is open for innovators, startups and companies to get the opportunity to learn, explore, collaborate new ideas. It also provides space for hosting events that encourage tech-based innovations and startups.

## **Roles during the internship**

During my internship tenure here at Grameenphone, I have worked with several cross-functional teams, which has helped me to be more involved and gain in-depth knowledge about several organizational responsibilities. I am confident that this dynamic workforce will help me in future professional life. My main project during the internship was “GP Accelerator National Outreach”. This project aimed to create much more awareness about GP Accelerator at the root level of the country’s startup community. The second season of GP Accelerator aims to bring in

more innovative services from startups around the country by giving equal opportunity to innovators in underdeveloped areas of the country too. In this project, I worked with several major activities and they are described below:

- **Digital Marketing Plan:** I have worked in creating a full-fledged plan for social media marketing posts related to GP Accelerator 2.0. Contributed to identifying the nature of posts, objectives, target audience, when to post, and overall content type. This has been a major activity to gain the attention of our target audience as we can get the greatest number of traffics in online platforms. Here I could implement my academic learning to reality. In this process, I have learned about factors like what sort of contents to use in compliance with brand guidelines.
- **Defining Scope of Works:** In my internship with Grameenphone, I have also been part of defining several scopes of works for different activities. This helped me to go in depth with the work process and understand them better.
- **Content Development of Website:** I have worked closely about the content and write-ups that would be used for the new website for GP Accelerator.
- **BTL Agency alignment for the national outreach:** One of the crucial factors related to the project was ‘Below the Line’ agency works for the national outreach. As this time GP Accelerator aims to bring in ideas and innovation from the root level, underlooked places of the country. So, to let people know about our program we have selected 16 local community builders based on different locations of the country so that they can conduct information sessions for interested innovators and startups. The sessions require the community builders to let the interested applicants know about different aspects of the applications, what benefits they will receive through this program. For this process, I have been directly worked in the alignment process with BTL agency so that we could on board the perfect match of Community Builders for our national outreach. This involved a wide array of works such as developing a project timeline, making content packs to be delivered, Interviewing the candidates, sorting CV of the candidates, etc.
- **Event Organizing:** As a part of the Startup Ecosystem I have also worked for a few projects of White-board. As White-Board provides space support for different events that target startups and tech enthusiasts. One of these such events was Startup Weekend by



world-renowned TechStars. So, in this event, I got to be part of the organizing team and took care of several logistics supports that were needed for the good flow of the event.





# Introduction to the Report

## The rationale of the study

Bangladesh is a developing country in South Asia. According to IMF as of 2018, Bangladesh is among three of the fastest growing economies in the world (Byron, 2019). There has been a rapid transition in the economic scenario of Bangladesh within the past two decades. The country had rapid expansion in garments sector which has contributed a major portion of the economic prosperity that has taken place over all these years. But Bangladesh's economy is overly dependent on the apparel sector, it accounts for 83% of total export and 12% of the GDP (Amin, 2019). There has been a tectonic shift in technology in the 21st century. New technologies focus more on automation and the Internet of Things (IoT). Digital services have become more ubiquitous to people due to easy access to internet and technology. According to The Economist, 50% of the jobs are vulnerable now due to rapid automation. So, Bangladesh also needs to get digitized due to the threat of automation. Major diversification is needed in Bangladesh's economy to cope up with this technological shift. Entrepreneurship can be a major player for this diversification process, according to a statistic, 43% of public corporations in the United States are backed Venture Capitalists.

So, this is what shows the trend of entrepreneurship in the western world (A.T. Kearney, 2015). According to the International Labor Organization, the unemployment rate of Bangladesh has crossed the global average, currently, 4.3% of the population in working age are unemployed.

It is clear that digital entrepreneurship is now a necessity for future trends in the digital ecosystem. But there is no enough research been done for the factors that drive people to be in digital entrepreneurship. So, this interested me to do research about digital ecosystems entrepreneurship.

## Statement of the problems

In recent years Bangladesh has seen a number of Digital Startups in the startup ecosystem. There several support and training programs organized by government and different other





organizations. But no other organization could have a massive footprint like GP Accelerator program. There are no organization with dedicated wing for digital entrepreneurship like Grameenphone. The mother company of Grameenphone Telenor based on Norway also has incubation and accelerator programs for startups in different countries of south-east Asia. They are Dtac Accelerate, Telenor Myanmar Accelerate, Telenor Pakistan Velocity, Digi Accelerate. The Government also is playing a major role in this system towards digital innovation. Government provides exemption, grants, workspace, training etc. to promote technological and digital innovation. The Government also trying to achieve its goal towards making 'Digital Bangladesh'. ICT division is playing major role to provide assistance to the technological advancement of the country. There are also few angel investors and venture capitalists who are willing to support different technology startups in our country.

In the context of Bangladesh Digital Entrepreneurial Venture is comparatively new concept. GP Accelerator has been one of the pioneers to promote startup in digital ecosystem. It has successfully delivered 5 batches of startups. There is no other integrated program like this in Bangladesh. So, considering the landscape of startup ecosystem in Bangladesh I think this research should be conducted upon factors that can influence people into digital entrepreneurship.

## **Scope and Delimitation of the study**

I was appointed as an intern of Startup Ecosystem of Grameenphone, for this reason it was easier for me to do this research as my job scopes. GP Accelerator has 11 portfolio startups from their 5 batches of accelerator programs. There were also several events hosted by Whiteboard and GP Accelerator which brought in different digital entrepreneurship enthusiast people and startups around the country to Grameenphone. During my internship I have worked directly with different startups and aspiring startup enthusiasts. With the help of my internship supervisor I have had the opportunity to talk to them take their interviews and FGD sessions. The number of this interviewees were 15 and these can be considered as the sample for my research. I think this report will have important implications for further research on digital entrepreneurship.





There have been several open-ended questions during the in-depth interview and FGD process of data collections. There were few common factors that has been identified as driving factor towards digital entrepreneurships. In this research process there were few limitations that I faced these are: due to time constraints in depth factors were tough to determine. The sample size was small due to relevancy of the respondents with report topic, there were also time constraints. Another important factor is that there couldn't be any model developed for the study as there are very less secondary research data about the research topic. So, this research has been an exploratory research, which is why no conclusive decisions could be provided by this research. The research paper could not be proven with numerical testing as this has been a qualitative research. Due to confidentiality factor some information and the identity of the respondents could not be revealed. Also due to small sample size wide range of point of view of several digital entrepreneurs couldn't be contacted to be part of this research process. The accuracy of the data could not be verified through this research.

## Objectives of the Report

The primary objective of this report has been to access the factors that drives into digital entrepreneurial ventures and how Grameenphone as an organization is contributing to the digital entrepreneurial ecosystem. This paper is prepared to meet the Bachelor of Business Administration degree completion requirement at BRAC Business School. Beside this there are few more objective that has been met by this report and these are:

- In depth learning about history, values, mission, vision, organizational structure of Grameenphone.
- Have knowledge about the digital division of Grameenphone and different product portfolio.
- Learning about future projects and vision of Startup Ecosystem of Grameenphone
- Measuring the efficacy of Grameenphone in the startup ecosystem of Bangladesh
- Knowledge about the concept of acceleration and incubation for startups
- In depth knowledge about digital startups in Bangladesh
- Limitations in the digital ecosystem for digital entrepreneurs



- Analysis and interpretation the exploratory research data
- Making recommendations based on the evaluation of the data collected
- Transcribe how digital entrepreneurship contribute the telecommunication industry in broader context.

## Research Questions

The findings of this study have practical and theoretical implications for the digital entrepreneur field of study. It has important comprehension about the underlying reasons and motivation that influences people to start Digital Entrepreneurship Ventures. Through this I have come across few common and important factors that can promote digital entrepreneurship and several limitations that the Digital Entrepreneurs are facing. So this research will give an overview about this factors.

## Review of Related Literature

Research focused on Digital or Technology Entrepreneurship are gaining popularity among practitioners and academicians so this requires a definition. An influential definition of technology entrepreneurship was made by Tony Bailetti. According to his definition technology entrepreneurship is “an investment in a project that assembles and deploys specialized individuals and heterogeneous assets that are intricately related to advances in scientific and technological knowledge for the purpose of creating and capturing value for a firm” (Bailetti, 2012). Innovation Ecosystem is a very important concept in digital entrepreneurship. There is lack of clear definition of business ecosystem. According to James Moore the definition of business ecosystem is “an economic community supported by a foundation of interacting organizations and individuals- the organisms of business world” in his book ‘The death of competition’ (Moore, 1996). According to a journal published in Elsevier Digital Entrepreneurship is the process of joining the traditional entrepreneurship but with more emphasis on leveraging modern digital technologies in a novel way. which includes cyber



solutions, cloud platform, mobile technology and analytics. These are the process through which the traditional entrepreneurship can shift towards digital era of entrepreneurs (Grilo, Romero & Cunningham,2018). The role of big corporations plays a crucial role in the success of Digital Startups. According to an article published in Dhaka Tribune the tendency of IT based ventures by youth are not only happening in Bangladesh rather it's a global phenomenon, due to the trend of embracing digital services and products by youth. Big corporations are playing a big role in facilitation of the digital entrepreneurs has become a common practice around the world. These big corporation are providing enough resources to turn ideas into commercial ventures (Rahman, 2018). Accelerator program right now is playing a big role to turn ideas to a marketable product to it customer. Accelerator programs are also conducted by many big corporations. Technology startups are getting ease of entry due to infrastructural development, access to platforms, networks and user-friendly tools. Also, the quick access to information regarding technology startups has removed the barriers of entrance. Accelerator program has played one of the most important roles in this process, they provide the infant technology startups infrastructural support and mentoring. They bring together cohorts of international startups to develop their teams and products and learn from and connect with others in the ecosystem in a limited-duration “bootcamp,” based on Lean models of innovation (Ries 2011). According to an article published in Seed-DB seed accelerator named Y combinator which started in 2005 has incepted innovative startups like Reddit, DropBox, Airbnb etc. Since that time Accelerators started to gain popularity and grow faster with an estimated 200+ presence in over 33 countries (Christiansen 2013).

## Methodology of the Study

This paper is made to get data on what might be effective in digital entrepreneurship of Bangladesh. It analyzes on different factors that plays crucial role in the process of digital entrepreneurial ventures of this country. Here we also focused on the limitations that creates barrier for the technology startups. Here I have focused on the key findings of data that has been collected through FGD and Interview sessions. At first the proposal of the report topic were presented to my respected internship advisor Mr. Shamim Ahmed. Secondly, I did literature



review on different publications regarding digital entrepreneurship and technology startups. After that I have conducted a focused group discussion with different tech enthusiast, startup founders, aspiring digital entrepreneurs and students. I have analyzed the data which were collected from primary and secondary sources. Then from the data collected I took an in-depth interview of my supervisor to get validation of the data. From all these analyses I have made the final report.

The study is based on primary and secondary resources. The primary data were collected from different people related to digital ecosystem in Bangladesh whom I came across during my internship tenure. The secondary data were collected through organizational report, published journals and articles, research papers, newspapers, books. The respondent was selected through different events and meetings where they came to Grameenphone office. The total number of respondents were 15 among them 2 were female and rest 13 were male. Their age ranged from 23 to 40 years of old.

## **Analysis and Interpretation of the Data**

The data collection process during focused group discussion sessions mainly centered upon few factors that the respondent thought is very important for the process of digital entrepreneurial development in Bangladesh. The most important factors that came out from the analysis of primary and secondary data are discussed in this section.

### **Overview of Digital Startups in Bangladesh**

In recent years Bangladesh has seen a massive change in digital ecosystem, there are number of digital startups that showed its presence in this ecosystem and is running successfully. According to the respondents Sheba XYZ, Pathao, Chaldal.com, Hungrynaki, Repto, 10 minutes school, Shohoz are the few worth mentioning digital startups to have massive footprint in the digital ecosystem. Some of the respondents have also said that the success story of these startups has



also inspired them to try and initiate their ideas to startups. According to Mr. Minhaz Anwar head of Grameenphone Accelerator “The success stories of Pathao, Sheba.xyz and Chaldal are building confidence among investors and promoters and at the same time contributing to major mind-shift of the young people towards opting for jobs with startups offering home grown solutions as sustainable career paths.”



According to a report published in 2015 by A.T Kearney there are over 200 digital startups launched each year in Bangladesh but one third of these startups are only small service provider not product-based companies. It was added that 80% of the digital startups in Bangladesh are only targeting domestic population and are not innovative enough. These businesses are rather replicating previous ideas or business models that has been used elsewhere in the world. The startups are taking advantage of the absence global internet players in Bangladesh. According to Global Innovation Index report 2018 Bangladesh has been ranked as the least innovative country in Asia. This shows that the demography of Bangladesh lacks the innovative ideas that are needed to start a new venture which was present never before. According to one respondent from FGD sessions digital entrepreneurship should focus more on creating a new demand not serve the existing demand. But lack of innovation hinders the way towards it in Bangladesh. Many of the digital startups that has been launched in Bangladesh are based on e-delivery, e-commerce



and e-transportation, where the Government is also promoting e-learning and e-health. (A.T Kearney, 2015).

The success of Pathao, Chaldal and Sheba XYZ has been rooted to solving a problem that were much needed for the target consumers. I have given below a short discussion on three of the startups that are successful according to interview and FGD.

Pathao came in to business of ride sharing service back in the year 2015. It is an app-based service provider, initially it was only a motorbike service later added car services too. Pathao came up with solution for traffic problem in Bangladesh and now it went on to provide this solution outside country as it has started its operation in Nepal. So, their service was innovative and lucrative enough to get investments. Pathao has raised an investment over USD 100 million funding. Market popularity were key factor for these huge investments.

Chaldal is a grocery delivery service through apps. This service was also unique for Bangladeshi market considering the growing urbanization and busy life of the city dwellers. This startup has received a funding of 5.5 million USD from International Finance Corporation in 2018. Till date it has received funding of USD 10 million. Chaldal receives over 1,500 orders of grocery to be delivered every day.

Sheba XYZ founded in the year 2016 was also one of the graduates of GP Accelerator. It provides online services through an app. Sheba looks to formalize a blue-collar service sector that has largely stayed under the radar of who can be considered human capital in the country. It is now the largest online market service platform of Bangladesh. Sheba plans to expand to South East Asian markets through franchise investments.

## **Government Initiatives for Digital Entrepreneurships**

The current government with its motto to promote Digital Bangladesh have taken number of initiatives that includes support for digital startups. According to the FGD session responses the respondents felt Governments support programs are massive impact creator in this digital ecosystem. The key driver to this initiative is ICT division of the Government. The respondents have also named few projects by the government that they think is very helpful for digital



entrepreneurs. These programs and projects are: Startup Bangladesh, BASIS soft expo, a2i, ICT expo etc. The respondent also talked about different infrastructural support provided by the government which includes Software Quality Testing and Certification Centre, Bangladesh High Tech Park, IT incubators centers, shared workspace, funding, tax holiday etc. But adding to that respondents also feels there should be more initiatives from government which includes easier access to funding, training for IT enthusiasts in root level of the country, easy access to internet and technology.

According to a report by ICT ministry for ICT growth a2i initiative by the government has played a huge role. Some of the key achievements includes: about 8.5 million students has access to multimedia learning content, there are about 105 digital talking books for the vision impaired students, 103 innovative ideas were incubated by service innovation fund and USD 28.15 million earning for digital center entrepreneurs. Government has initiated software park with high speed internet facility just like the model of export processing zone (EPZ). Bangladesh is going to get 12 IT project parks, 3 high tech parks and IT incubation training and project centers in different places of the country in near future. Some running tech park facilities include Software Technology Park (STP) at Janata Tower which provides different modern facility and work space for IT companies. Startup Bangladesh is another program by ICT division where an acceleration program is conducted for aspiring digital startups. In this program the selected startups will get mentoring, funding, co-working spaces, marketing and legal support to selected startup entrepreneurs to help realize their visions. There is another program named Student to Entrepreneur which encourages the students to enable entrepreneurial skills rather than going to conventional job market. In an event of GP Accelerator Honorable State Minister of ICT Division mentioned that Bangladesh Government is working towards a process where through the digital entrepreneurship many more jobs will be created. So, the government is working towards building these job creators. It is estimated that 3 lakh youth will get jobs in 28 high-tech parks that the government is building. There is one more program named connecting startups under ICT division, the main aim of this program is to provide mentoring, space, logistics support and training through exposure to Venture Capitalists and available funds to promising startups. So, this program is really fruitful for those startups who are looking for funds and further expansion. Here government works as the connector to the monetary facility that the startups require. Government has also announced tax holiday for 7 years if a company is



registered as IT company. To attract foreign technology companies in to the high-tech parks government has also announced tax waiver. Companies providing services from high-tech parks will be waived from tax for first 7 years and after that 70% tax will be waived for next 3 years. BASIS soft expo is another mentionable initiative by the guidance of government is the largest regional technology congress.

## Private Sector Initiatives

When I asked the participants in FGD sessions about what they felt about the ecosystem builders in Bangladesh most of the participants gave opinion that there were very a smaller number of ecosystem builder in Bangladesh. Ecosystem Builder can be classified as the organizations, group and people who are working to help and train different startups in early stage. The ecosystem builders can be venture capitalists, angel investors, mentors, incubation and accelerator programs. The FGD participants were asked for naming a few ecosystem builders which they think to have important role in the startup community they named: GP Accelerator, Startup Dhaka, Toru Impact, Fenox Venture, BD Venture, Bangladesh Venture Capitals, Bangladesh Angels.

Bangladesh has very small number of private incubators and accelerators for digital startups. But GP Accelerator has taken a special place in this digital ecosystem. The quality of training and mentorship provided is overwhelming. GP Accelerator program is a curriculum-based, mentor-led, single cohort program for tech-based startups who are in early stage of their business life cycle also innovative ideas that have great business potentials. It is the leading accelerator program for startups in Bangladesh, with a wide reach in the international level. the resources and facilities provided to startups for the program are phenomenal. It brings in renowned mentors from different countries in several different fields of expertise. Several successful startups like Sheba XYZ, Repto, Cramstack, cMed, BankcompareBD, Alteryouth are graduates from GP Accelerator program. On average the startups have been able to increase the value of their startup 3.7 times in less than six months." Telenor CEO Sigve Brekke. 19 out of 26 startups graduated from the program and 11 considered as portfolio companies of GP. One of the graduates and portfolio company Sheba XYZ is the biggest service platform in Bangladesh.





Beside GP Accelerator there are incubator programs of Banglalink, recently Startup Dhaka has also started an incubator program. Toru institute of inclusive innovation has also started an accelerator program which is currently accepting applications.

There are few funding opportunities in Bangladesh but the participants think that most of the findings amount are not enough for a startup to grow further. I asked the participants why the funding opportunity are less; many have mentioned about the risk involved with the success of investments made. Investors think that early stage StartUp investments return are slow process or even there will be no return. Some other participants told that this Bangladesh is now in very early stage of Digital Entrepreneurship, so some success of startups would gradually increase the availability of funds. A recent study by Light Castle Partners (LCP) identified preferred sectors by investors are MFS (83%), Health Tech (67%) and C2C Commerce (50%). Few of the local startup that recently got fund are - SureCash, AjkerDeal, Pathao, Bagdoom, Sheba, Brain Station, Light Castle Partners, Magnito Digital, Doctorola etc.

## Market Demand

The participants in FGD sessions were asked if the consumer acceptance of different tech-based products influenced them to digital startups. Then many of them responded positively, even some of them added the digital solutions are providing solutions for many latent demands of the customers. One of them told that due to increasing use of electronic gadgets it is easy to reach target customers. So, with the digital trends the business is also shifting from traditional brick and mortar model to digital one.

According to Global Competitiveness Index 2018 Bangladesh was ranked second for ICT adaptation among all the countries in South Asia. According BTRC reports there are 15.41 crore of mobile subscriber and 9 crore people uses internet. So, the customer base of tech users is magnanimous. The report of Global Competitiveness Index 2018 mentions that 58% entrepreneurs admitted the improvement in quality of government services by using information technology, while another 40% opined that use of internet for selling goods and services has seen improvement. Another 55% respondent found that businesses use ICT for their smooth transaction and easing the business.



The role of telecommunication sector is also important for the growth of digital startups. Since Bangladesh have entered 4G era, the seamless internet services help to keep the digital services going on. Local private telco device makers have played an important role on keeping the price down cellphones. People can get access to different digital products in low priced smartphones.

## Findings of Study

The core purpose of this research paper is to obtain an overview of the factors that influences someone to start digital entrepreneurship in Bangladesh. The primary findings from the research has been obtained through interview and focus group discussion which has been discussed in the methodology and analysis part of the report. The Samples were homogenous in nature. Secondary data were used to validate primary findings. There were four important factors that came up most during primary data collection they are: Local Digital Startups Success Story, Government Support for the digital startups, Private Ecosystem Builders and Market Acceptance of Digital products.

**Success of Local Startups:** The participants have agreed upon the fact that the growing popularity digital startups inspires them to be in to digital entrepreneurship. But beside that they have also put psychological factor as one of the key drivers that brings them into startup ecosystem.

**Positive Government Support:** The Government's Digital Bangladesh Strategy is harnessing digital technologies to improve public sector procurement and efficiency; drive the rollout of mobile financial services; and increase access to digital services, e-education platform, e-health services. The budget allocation for ICT sector is BDT 6,064 crore. Governments expenditure for high tech park and other training programs were applauded by the participants.

**Growing Private Support Network:** Bangladesh now has about 10 business incubators where the aspiring startups get mentorship, designing support, prototyping, co-working space. There are 2 accelerator programs that are providing seed funding opportunity with the training and necessary process to make the digital service available on market. There are number of angel and venture capital investors who are interested to invest on potential digital startups. Besides that,



there are several annual expos, conference, competitions, hackathon to promote digital innovations.

**Expanding Consumer Market:** Due to high speed internet availability it has become easier for people from different places of the country to access to digital services. Bangladesh has a huge young population and they are also embracing the digital trend very fast. So, these people comply a huge customer base for digital products. According to the US Central Intelligence Agency's World Factbook, about 34 percent of Bangladesh's 161 million people live in urban areas and about 45 percent are under the age of 25.

## Recommendations

The Digital Startup of Bangladesh is yet in a very early stage of its lifecycle. There are few limitations that has come up through this study. The recommendations are made based on secondary and primary data that were collected.

- **Limited number of Software Developers:** According to a report by Banglalink there are 45,000 software developers in the country. Which mean for every 10,000 people only 3 are software developers. Where as in our neighboring country its 17 of every 10,000 people. This results in intense scarcity of software developers and most of them get into established digital organizations. So, IT education and curriculum need to be encouraged from root level of education. Basic IT trainings need to be provided to school students.
- **Limited Funding:** Since the year 2012 it has been reported that there are only 18 venture capitals in Bangladesh-based startups. And the worth of these venture capitals is about USD 68 million. This availability of fund is pretty less than the number of startups growing each year. One of the reasons why startups need to seek foreign funding. For this the government should start promoting funding opportunity and lucrative investment returns among the high-income end segment of populations. There might be some tax waiver for people who are funding into digital startups.
- **Limited knowledge about global marketplace:** Most participants said that universities do not provide high-quality IT education and that university courses are based on outdated



curriculums and technologies; universities also lack of high-quality infrastructural supports. The participants also suggested that accelerators and corporations should provide distribution and marketing supports for their products. Follow on support should be provided for the graduated startups of different accelerators. As they come into business, they might also need further funding which can be enabled by big corporations and accelerators.

- Corporations should create easy process of partnership so that the services can be made available in mass market. They should also should provide application programming interfaces (APIs), digital toolkits, and testing zone start-ups for use in developing products and services.
- Universities should also have incubators for their own students to nurture and foster their ideas into startups. Online courses on IT can be added to the course module.
- Incubators and Accelerators can organize annual networking events for the graduated batches of startups so that they can share their progress, partnership opportunity and problem they are facing.
- Government should also ease the process of funding by the foreign investors in our local startups. There should be strong monitoring of intellectual property rights so that ideas of the potential startups don't get stolen. Legal support can be provided by government for young entrepreneurs. Government should also develop a procurement framework for government information and communications technology projects that gives local entrepreneurs the opportunity to collaborate with large ICT corporations.

## Conclusion

This report was aimed to explore several factors that makes people interested in digital entrepreneurship. The data collected and discussed on this report reflects upon a bigger picture of digital startup ecosystem in Bangladesh. Different issues and implementations to promote digital startups in the country. The global wave of digitalization can not be denied, keeping pace with that Bangladesh also needs digital innovations. Which would be possible with the help of digital startups.



Even though there has been a trend of digital startups around the world but in Bangladesh the trend is considerably new. The youth are the main target group who could involve themselves in digital innovation. There are few major factors that can drive the youths towards digital innovation and startups. These factors have been discussed in my report along with the limitations that is hindering the process of building digital ecosystem.

My research paper aimed at exploring the factors that drives the digital entrepreneurship and how Grameenphone as an organization is contributing to this field. At the end of my research I can say that Grameenphone is a key player for contributing to the startup ecosystem and adding value to the society with their initiatives. Beside that I was able to identify few important external factors that drives a person digital entrepreneurship. For better digital startup ecosystem entrepreneurs need support from government and private sectors, there should be enough demand for the digital solutions among the consumer, also success of local startups inspires many young aspirant entrepreneurs to join this era of digitization. This research doesn't give any conclusive evidence about factor that drives digital entrepreneurship. So further research are encouraged to find a conclusive results about the drivers of digital entrepreneurships.



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# Appendix

## Questionnaires

- According to you what are the few factors that you would list as most important for building digital startup ecosystem
- When you think of Digital Startups in Bangladesh what are the few startups that you think has a successful footprint in the startup ecosystem?
- Do you think the success of these local startups motivates you to be in digital ventures?
- What is your opinion about the uniqueness of ideas and problems that the local startups are solving?
- What is your opinion about governments role to support digital entrepreneurs?
- According to you what are the few projects that could be listed as beneficiary support for digital entrepreneurs.
- In your opinion what are the few incentives or projects that are necessary to be initiated by the government
- Do you think the number of private ecosystem builders in Bangladesh are enough?
- In your opinion name one corporation that has contributed most in digital ecosystem building for entrepreneurs
- According to your observation are there enough opportunity of funding locally in Bangladesh.
- Why you think that the funding is lesser in number for digital startups?
- What are your few advices regarding private ecosystem builders?
- In your opinion does consumer acceptance of digital products motivates you to digital entrepreneurs?
- What do you think about the customer base for digital products and solutions in Bangladesh?
- In your opinion is the consumer of digital products are enough in Bangladesh?

