

Report On
“Appraisement of Supply Chain Function of bKash – a Point of
View from the Stakeholders”

By

Munira Tanzim
Student ID: 15304010

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

BRAC Business School
Brac University
August 2019

© 2019. Brac University
All rights reserved.

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Munira Tanzim
Student ID: 15304010

Supervisor's Full Name & Signature:

Ms. Asphia Habib
Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Ms. Asphia Habib
Lecturer,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Madam,

This is my pleasure to display my entry level position on Supply Chain & Procurement (SC&P) Dept. of bKash Limited, which I was appointed by your direction.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Munira Tanzim
Student ID: 15304010
BRAC Business School
BRAC University
Date: August 5th, 2019

Acknowledgement

Firstly, I would like to show my gratitude towards my Almighty for keeping me in good health throughout my internship tenure and enabling me to complete the internship report on time. An internship program is a mandatory requirement in order to pursue the Bachelor of Business Administration Degree, completing the course “BUS400” of BRAC University. I couldn’t be able to complete the report properly without the guidance and proper instructions of the people of my academic area as well as, the people of my job environment.

I am very thankful to my internship supervisor and honorable faculty of BRAC University, Ms. Asphia Habib Miss for providing me the guideline to write my internship report and complete my last report of my undergraduate life. I am really grateful to her for being available and supportive to me all the time during my internship period.

I would also like to thank Mr. Rashedul Alam, Head of Supply Chain & Procurement Department, for selecting me as an intern of his department and I would also like to show my cordial gratitude to Rezwanul Karim, Manager, Contract Management, Supply Chain & Procurement Department of bKash Limited for providing me the opportunity to work in his department.

Hereafter, I would like to thank my onsite supervisor Partha Sarathi Roy, Assistant Manager, Supplier Management for helping me in every possible way. Without his guidance in every step, it would be impossible for me to write the report. Last but not least, I would like to thank, all the employees of the dept. for their help towards me.

Finally, I would like to give special thanks to the honorable faculty of BRAC University, Md. Hasan Maksud Chowdhury Sir for his constant support and encouraging me to learn Supply Chain Management. I am also grateful to my family, my friends, colleagues, and well-wishers for having trust in me and supporting me every time.

Executive Summary

Internship is the opportunity to experience the practical work environment. The main objective of this report is to evaluate the effectiveness of Supply Chain function of bKash from the stakeholders' perspective.

First of all, the report gives an overview of bKash Limited. Hereafter, it draws attention towards the literature review of Service Supply Chain in Bangladesh and also helps to identify the importance of the process for any organization. In the third part, the Supply Chain function and process has been described in detail. Last but not least, an analysis from the suppliers' and user' perspective have been shown regarding the effectiveness of the whole process as well as, finding the gap in the process. At the very end, recommendations have been stated as per practical knowledge and evaluating the process.

The report is prepared to evaluate the effectiveness and areas of further development of Supply Chain function.

Keywords: Supply Chain Management; Mobile Financial Service; Supply Chain & Procurement; Supplier Management; Service Supply Chain;

Table of Contents

Declaration.....	ii
Letter of Transmittal	iii
Acknowledgement	iv
Executive Summary	v
Table of Contents	vi
List of Tables	vii
List of Figures.....	viii
List of Acronyms	ix
Chapter 1 Introduction.....	1
1.1 Rational of the Study	2
1.2 Statement of the Problem.....	2
1.3 Scope and Limitation of the Study.....	3
1.4 Objectives of the Report	4
1.5 Methodology	4
1.6 Literature Review.....	5
Chapter 2 Organizational Overview	9
2.1 Mission.....	10
2.2 Benefits	11
2.3 Products & Services	12
2.4 Organogram of bKash.....	13

Chapter 3 Supply Chain & Procurement Dept. of bKash	14
3.1 Supply Chain Function	14
3.2 Procurement Process	20
Chapter 4 Analysis and Interpretation of the Findings	22
4.1 Analysis from Suppliers' Perspective	22
4.2 Analysis from Users' Perspective	32
4.3 Finding the Gap in the Process	33
Chapter 5 Recommendations.....	34
Chapter 6 Conclusion	36
References.....	37
Appendix A.....	39

List of Tables

Table 1: Sector Wise GDP Change in Percentage	7
---	---

List of Figures

Figure 1: Organogram of bKash	13
Figure 2: Supply Chain Funtion of bKash	14
Figure 3: Process of Logistics & Distribution	18
Figure 4: Procurement Cycle of bKash's SC&P	20
Figure 5: Procurement Category	23
Figure 6: How Long You are Working with bKash?.....	24
Figure 7: Rate the Simplicity of Suppliers' Enlistment Portal	25
Figure 8: Difficulties Faced During Suppliers' Enlistment Portal	26
Figure 9: Driving Factors not to Participate in RFQ.....	27
Figure 10: Problems Faced with Bill Submission & Payment Issue	28
Figure 11: bKash Made it Easy to Work Smoothly	29
Figure 12: Rate bKash as per Working Experience.....	30
Figure 13: Recommend bKash to Other Suppliers	31

List of Acronyms

SCM	Supply Chain Management
MFS	Mobile Financial Service
MNO	Mobile Network Operator
SC&P	Supply Chain & Procurement
Dept.	Department
IFC	International Finance Corporation
MTO	Money Transfer Organization
WH	Warehouse
NDA	Non-Disclosure & Confidentiality Agreement
PO	Purchase Order
LoA	Letter of Award
RFQ	Request For Quotation
OOH	Out of Home
QC	Quality Check
PR	Purchase Requisition
HoSC&P	Head of Supply Chain & Procurement

Chapter 1

Introduction

In Bangladesh, the financial sector has created a separate profound industry called Mobile Financial Service (MFS) which is a silent revolution all over the country. For the economy of Bangladesh, undoubtedly it is an expanding phenomenon. MFS has become so much popular in Bangladesh like the traditional banking systems. Moreover, it has made life easier for the unbanked rural population of our country more than before. The virtual financial transfer is becoming popular at a faster range in Bangladesh which is beyond our thinking. Time to time, more people are getting involved with the service and many more are expected to get into the service day by day unless the banking industry comes up with better offers. About 68,000 villages are out of the banking service, so for them, MFS is a blessing. They can now make deposits, withdraw money, can receive money and can also send money from a mobile account or another one.

The starting agenda of MFS provider were to capture the remote villages or areas of the country and later on, they expanded the focus by targeting all types of segments of Bangladesh. About 20 MFS provider got a license from the Central Bank of Bangladesh intending to provide mobile financial services but bKash has captured above 80% market share after launching in mid of 2011. bKash is not a mobile network operator (MNO) and didn't have a strong customer base in the time of launching rather it has created each customer by its own. There is a lot of process in the back of providing the ultimate service that bKash provides to its customer. Among them, Supply Chain & Procurement (SC&P) is one of the major functions that support the whole organization to run the business smoothly.

1.1 Rational of the Study

Being an undergraduate student of BRAC Business School (BBS), it's a prerequisite to pursue an internship for at least 3 months and it is required to submit a report that highlights the learnings and also the activities which are performed throughout the internship period. Getting the opportunity to do my internship at bKash not only helps me to explore the corporate world, it also broaden my knowledge in various aspects of life. The idea of MFS is exceptionally new to the country which has provoked relatively few studies regarding this matter. This report will evaluate the effectiveness of supply chain process from the viewpoints of the supplier and the end user which will add value to the company to find out the difficulties and act accordingly. As well as, people will get the knowledge regarding the supplier management process and the ongoing challenges that the Supply Chain & Procurement (SC&P) dept. of MFS industry is facing while operating the function.

1.2 Statement of the Problem

The concept of supply chain management is new in our country and in service industry the term is in primary stage. The service industry in Bangladesh is trying to execute the supply chain processes but the theory described processes cannot be followed all the time accordingly because of some situations.

The statement of the problem of this report is to find out the gap in the supply chain function of bKash. In this report I have tried to evaluate the gap by doing the supplier satisfaction survey, taking the feedback from the user department, reading documents of the supply chain functions of bKash as well as, other articles, journals related to supply chain management. From that, I have come up with some analysis and findings and depending on that, also have come up with the recommendations that might help the SC&P dept. of bKash later on.

1.3 Scope and Limitation of the Study

While I was working on my internship report, I have to face some limitations as well as trouble to complete the whole thing. Some of them are described below:

- **Limitation of Time:** The time frame of the report is just 3 months which is very less on the off chance that we consider making a decent quality research. On the other side, it is not possible to identify the gap of the whole process of supply chain in a 3 months period.
- **Lack of Information:** As the concept of supply chain of service industry is quiet new, there are less information related to it. So, it was hard to do the secondary research related to my analysis.
- **Maintaining Confidentiality:** Being the largest MFS provider, bKash needs to control a high level of information and data confidentiality. So, there is a lack of availability of information and data.
- **Conducting Suppliers' Survey:** I found it little bit difficult to conduct the survey of the suppliers in a general format because suppliers are different in nature and procurement type varies from one suppliers to another.

For the purpose of my report, I have only conducted the survey among the selected suppliers from different categories while focusing on a specific areas that the suppliers face difficulties. So, there is a further scope for doing research in a broad range.

1.4 Objectives of the Report

Objectives of a report helps the reader to visualize about the different parts which are discussed in the overall report. The primary objective of this report is to pursue my BBA degree. After working with the SC&P team of bKash, there are some specific objectives to create this internship report.

- a. Find out the areas where suppliers face difficulties.
- b. Analysis the gap in the process of supply chain from stakeholders' viewpoint.
- c. Figure out the challenges of the ongoing process.
- d. Evaluate the effectiveness of the supply chain function.

1.5 Methodology

This report is prepared using both the primary and secondary data. In order to appraisement the effectiveness of the function of SC&P of bKash, mostly I have used primary data. As bKash has a high level of confidentiality code, so less amount of secondary data has been used in the report.

- **Primary data:** In order to collect information, I have prepared a questionnaire for the purpose of conducting survey to the potential and regular suppliers' focusing on the areas where they face difficulties. Moreover, I have also collected information from the suppliers through telephone interview. On the other hand, I have talked to different departments' employees to know their feedback regarding the ongoing process of SC&P.
- **Secondary data:** The secondary source of this report includes online databases, books, articles, journals, newspapers, supply chain & procurement procedure of bKash, etc.

1.6 Literature Review

Supply Chain Management

The term “Supply Chain Management” has turned into a prevalent popular expression, most likely originally utilized by experts in the late 1980s and then broke down by the scholarly network during the 1990s (Basak et al., 2014). The world is at present getting the chance to be resources careful. Compelling affiliations are particularly stressed over resource task and the capability of the work. Supply Chain is one of the terms that help relationship to be logically capable of the extent of resource management. The expression "Supply Chain" has gotten numerous definitions over the previous years as it picked up prevalence, with most definition portraying it as a system of various substances connecting to make materials and data stream (Lummus and Vokurka, 1999). To support consumer loyalty, diminish operation cost and improve money related execution, Supply Chain Management (SCM) plays a coordinated standard. SCM the board is an aware effort to run supply chains in the most capable and incredible way that could be accessible and such frameworks join thing improvement, sourcing, production, and collaborations, all of which assists with making quality things and sorting out their stream to the customer (Bowers, 2017). SCM relies upon two focus contemplations:

1. The first is that in every practical sense everything that accomplishes an end customer addresses the all-out effort of different affiliations. These affiliations are insinuated all in as the supply chain.
2. The consequent idea is that while supply chains have existed for a long time, most companies have quite recently centered around what was happening inside their "four dividers" Few of them saw, generously less managed, the entire chain of activities that in the long run passed on things to the last customer. The result was disengaged and as often as possible insufficient supply chains. (SME, 2018)

According to Lynch, without a framework inventory system and transportation hazard getting the opportunity to be cost centers that can unfavorably influence a brand (Bowers, 2017). So having a methodology for a supply chain is the best approach to advance for business.

Supply Chain involves all the parties directly or indirectly, in satisfying a client demand. The supply chain incorporates the producers and providers, yet additionally transporters, Warehouse retailer and client itself. All the stages in a supply chain are associated through the flow of products, information, and fund. In both way and might be overseen by one of the stages or a mediator.

Here we can see raw materials supplier supply industrial product to the manufacturer, and make the product sale to the distributor, distributor sale this product to the retailer by small lot, and final consumer get the product from the retailer (Basak et al., 2014)

Supply Chain Stages:

- Raw Material Supplier
- Manufacturer
- Wholesaler/Distributor
- Retailer
- Customer

Service Supply Chain

Any service delivery structure can be viewed as a chain or arrangement of activities, which incorporates a number of individuals. Much the same as production network in assembling, in services likewise we can see that every one of the members is identified with one another.

The goal of accomplishing proficiency as well as responsiveness is similarly significant and applicable in the entire system of members associated with delivery service called service supply chain. The structure of supply chain can differ from a basic sequential production network to an expansive system of store network elements.

Service Chain Management can be viewed as identical to SCM (Simchi-Levi et al. 2000; Vollmann et al. 2004). Service Chain Management is stressed over the masterminding and the administrators of activities from assistance abilities to the movement of end-customer organizations. The structure of SSC is a complex system, which joins immediate or aberrant specialist organizations around administration integrator (Cheng et al., 2011).

Since independence, since freedom, one of the blasting divisions of Bangladesh incorporates the service part contributing practically 56.35% to the nation's GDP during 2015. (Abdin, 2016).

Years	Agriculture	Industry	Service	Total
1941-1950	70	4	26	100
1951-1960	62	5	33	100
1961-1970	55	10	35	100
1971-1980	44	11	45	100
1981-1990	32	12	56	100
1991-2000	25	15	60	100
2001-2011	18	30	52	100
2012-2016	17.2	28.9	53.9	100

Table 1: Sector Wise GDP Change in Percentage

[Source: www.worldbank.org]

As indicated by Mominul Islam, a company's productivity can be dictated by estimating the time it takes to create and convey finished products to its customer. SCM the board is in this manner one of the most significant factors in any industry (The Daily Star, 2018). Therefore a productive SCM is important for the advancement of the nation.

Not simply locally, service part has additionally an enormous effect on the exports of the nation growing a rate of right around 8 percent consistently. Remittances are growing which is a vital supporter of the charge. (Chowdhury, Alam and Habib, 2018)

In any case, the likelihood of SCM is new to the specialists of this country generally for service organizations and there are relatively few assessments subject to this topic which has left various unexplored open entryways here (Rahman. 2018).

Chapter 2

Organizational Overview

In Bangladesh, bKash Limited (bKash) is a Bank-based Mobile Financial Service (MFS) Provider which is working as a subsidiary of BRAC Bank Limited and operating under the license and approval of the Central Bank (Bangladesh Bank). bKash has made it safe, convenient and simple approaches to make payments and money transfer services through mobile phones to both the unbanked and the banked individuals of Bangladesh. At present, bKash is one of the main MFS provider in the world. In 2010, bKash started as a joint endeavor between BRAC Bank Limited, Bangladesh and Money in Motion LLC. International Finance Corporation (IFC) which is a member of the World Bank Group turned into an equity partner in April 2013 and on March 2014, Bill & Melinda Gates Foundation turned into the investor of the company. Ant Financial (Ali Pay) which is an offshoot of globally presumed Alibaba Group, turned into an investor in bKash in April 2018. A definitive objective of bKash is to guarantee access to a more extensive scope of money related services for the general population of Bangladesh. It has a concentration to serve the low pay masses of the nation to accomplish financial inclusion by providing services which are convenient, reliable and at the same time affordable.

Over 70% of the population of Bangladesh lives in remote areas where access to formal monetary services is not an easy task. However, these are the general population who are in most need of such facilities, either for getting money from loved ones in faraway regions or to get to money related instruments to improve their financial condition. In Bangladesh, while over 68% of the population have a mobile phone and under 15% of them are associated with the formal banking framework. These telephones are not simply gadgets for talking, yet can be utilized for increasingly valuable and refined preparing assignments. bKash was envisioned

mainly to utilize these mobile phones and the inescapable telecom systems to expand money-related services in a protected way to the under-served remote masses of Bangladesh. People can access bKash using all the telecom services available in Bangladesh. As of now, bKash is running a system of over 180,000 agents all through urban and rustic areas of Bangladesh with more than 30 million enlisted accounts.

In 2017, bKash was positioned as the 23rd organization in the yearly rundown of Fortune Magazine's 'Change the World in 2017' among the main 50 organizations to make changes subject to social issues (bKash, 2017).

bKash has launched its app in 2018 where they have used a human-centric system. Presently bKash App is the No.1 money-related app in Bangladesh with over 2,000,000 dynamic clients in only 4 months of its dispatch. Likewise, bKash has exhibited various facilities for the convenience of creating a customer base. Payment through bKash in ride-sharing service, water bills, school fees, payment in online shopping, payment gateway integration, bank account integration and more to seek after. Their main goal is to proceed to enable more individuals and open more up to date conceivable outcomes advancing lives through improved financial services.

2.1 Mission

The mission of bKash is to provide financial services that are convenient, affordable and reliable, bKash expects to broaden the net of financial inclusion. bKash wants to provide a solution for Mobile Financial Services, built on a highly scalable Mobile Money platform, allowing the people of Bangladesh to safely send and receive money via mobile devices (bKash, 2019).

2.2 Benefits

The largest MFS provider in the world, bKash guarantees its user five major advantages which are fast, affordable, secure, convenient and nationwide (bKash, 2019). These are described below,

Fast

bKash promises it's consumers to be the fastest transaction process. One can send and receive the money within minutes through bKash.

Affordable

The sending and receiving money through bKash is very low of the cost comparing with global standard. It has been a great advantage for the general people of the country.

Secure

Each transaction of bKash is based on a PIN of personal identification number which is very secure. Moreover, the bKash account is fully secure even if one lost his or her mobile. So bKash is promising the best security in transaction of money.

Convenient

bKash is highly convenient for its users. People can send and receive money anywhere and anytime. bKash is serving it's consumers 24 hours a day and 7 days a week.

Nationwide

bKash has more than 160,000 agents nationwide and more than 300 ATMs. So the availability of the service is very high nationwide.

2.3 Products & Services

bKash, the largest MFS provider is currently offering the following eleven products and services to its users (bKash, 2019).

- i. Cash In: Users can transfer money in their bKash account from bKash agents or ATMs. They need not pay for getting the money in their bKash account.
- ii. Cash Out: One can withdraw money from their bKash account through the bKash agents or any of the BRAC bank ATM and for this purpose they need to pay a small charge.
- iii. Send Money: Virtual transaction of money from one bKash account to another bKash account is very easy and convenient. If the user does this transaction through bKash app, there is no charge for sending the money while there is a little charge if it's done manually.
- iv. Payment: One can pay through bKash easily to the registered merchants in most of the places.
- v. Mobile Recharge: Mobile recharge enables the user to buy airtime from their bKash account to their number or someone else's number.
- vi. International Remittance: Bangladeshi citizens who live in abroad can send money to their families easily in bKash account via authorized and enlisted Foreign Bank, Money Transfer Organization (MTO) and Money Exchange Houses.
- vii. Movie Tickets: User can easily purchase movie tickets from bKash app.
- viii. Pay Bill: User can pay the electricity bills (Palli Bidyut) and other bills like DESCO, University admission form fee, Intermediate and Secondary Education Board admission form fee, Bangladesh Technical Education Board admission fee.
- ix. Interest on Savings: One can get up to 4% of interest yearly if they save money in the bKash account.

- x. Add Money: Now, bKash users can deposit money from any MasterCard branded Debit, Credit and Prepaid card which is issued by any bank or financial institutions like Lanka Bangla. On the other side, users can transfer money from selected banks through internet banking.
- xi. Donation: One can donate through bKash to help others in their education, wellbeing and healthcare and also give zakat to the truly needed people.

2.4 Organogram of bKash

The Company Organogram of bKash is given below:

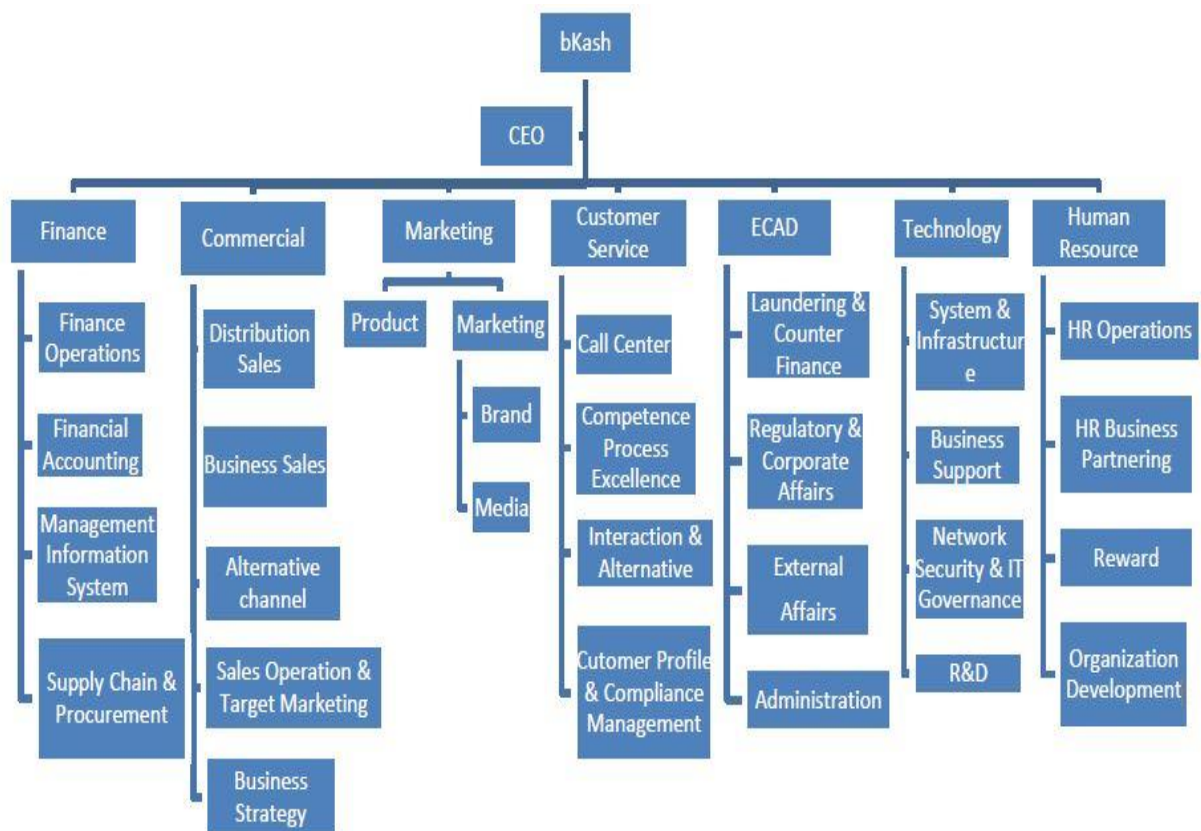


Figure 1: Organogram of bKash

Chapter 3

Supply Chain & Procurement Dept. of bKash

The Supply Chain & Procurement (SC&P) department of bKash is under the Finance & Accounts Division which is formed in 2012. In bKash, all sorts of procurement and distribution activities are under the SC&P dept. bKash's SC&P dept. mainly pursues the centralized procurement approach with an arrangement for procurement to meet the everyday and urgent requirement for every one of its workplaces and all types of the activities.

The main goal of SC&P dept. of bKash is to ensure that they are getting the right products or services from the right source and delivering them in the right place at the right time.

3.1 Supply Chain Function

There are five functions of SC&P dept. in bKash.

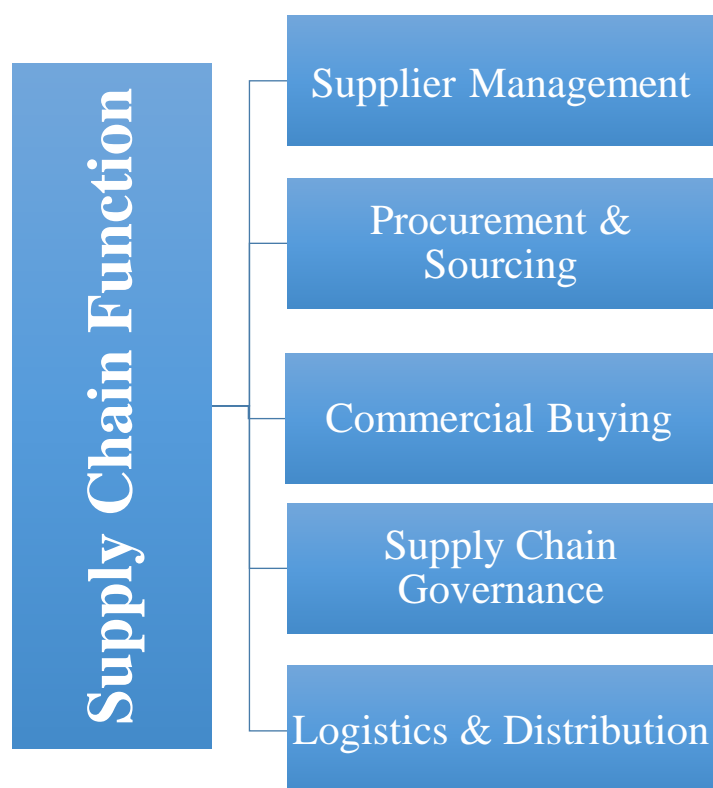


Figure 2: Supply Chain Function of bKash

1. Supplier Management

The task of supplier management starts with sourcing supplier from the market to enlisting the new supplier & continuing with evaluating their performance, visiting the workplace and minimizing any types of conflicts with any party. bKash has a Supplier Web Portal named “Be a Supplier” in the bKash’s website where the suppliers’ complete the enlistment process.

For complete the process, supplier must need to have the following documents:

- Trade license
- VAT certificate
- TIN certificate
- Bank Solvency certificate
- Client list
- Experience certificate from three different clients.

Along with the documents above, the supplier also needs to provide the detail information about the company, company’s bank account information in details, authorized person’s contact details, company’s top official’s contact information, service type that the supplier wants to provide. After getting all the necessary information, supplier management personnel conducts the prequalification exercise based on that. Without having all the documents and the necessary information, one cannot be enlisted as a supplier of bKash. Once it is decided that the supplier will be enlisted in the portal, the supplier management personnel ensures that the Non-Disclosure Agreement (NDA) and bKash Business Code of Conduct are filled and signed by the supplier.

Supplier management team visits the workplace of the suppliers to ensure the work environment that they are supposed to maintain. Moreover, supplier management evaluates the performance of the suppliers and prepares monthly reports based on their works and

engagement with the SC&P dept. of bKash. Whenever there is a need for issuing Request For Quotation (RFQ), procurement personnel asks the supplier management personnel for the Bidder list. Bidder list is the suppliers' list that suggests whom to invite to participate in the RFQ which is provided by the supplier management personnel with the approval of the Head of SC&P.

2. Procurement & Sourcing

Among the twelve categories of procurement, these six categories are under the Procurement & Sourcing function:

- Technology
- Renovation
- Fleet
- Outsource & General service
- Premise Rental
- General Supply

Except the premise rental, other categories follow the same procurement process.

3. Commercial Buying

Another six categories are included in the Commercial Buying function.

- Digital Printing
- Offset Printing
- Events & Activation
- Media Buying
- Out of Home (OOH)
- Gift Item

Basically, bKash buys Billboards, Building Painting and Feri Branding in OOH category. The process of procurement for OOH is different from other categories.

4. Supply Chain Governance

The Supply Chain Governance team deal with Process & Compliance, Contract Management and Reporting. The team carries out all the contract which will be signed with the suppliers. The team is responsible for signing the NDA with suppliers and preserve them, for executing the process of a new contract as well as post-contract evaluation and also terminating the contract. For the simplification of any legal terms and conditions, the Governance team is the contact point for bKash legal and user dept. and also for the procurement personnel. Implementing new process, revising the existing one like Procurement Procedure, Quality Check (QC) process and the Warehouse (WH) Process is also handled by the Supply Chain Governance. The team also compliance the procurement & warehouse operation. Moreover, maintaining the SC&P central database, presenting the SC&P periodic reports to Management & Stakeholders, creating SC&P visibility to Management are included in their responsibilities.

5. Logistics & Distribution

bKash's warehouse (WH) is located in Tejgaon Industrial area. The process starts with delivering the products by the suppliers, managing the products and then send it to the required places. The process of logistics & distribution is described below:

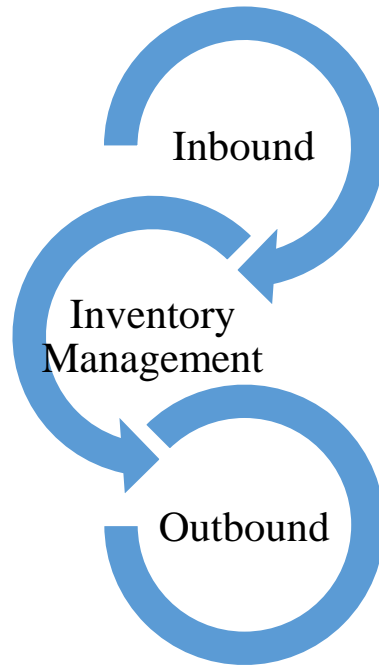


Figure 3: Process of Logistics & Distribution

Inbound:

After issuing the Purchase Order (PO) or Letter of Award (LoA), WH gets the notification of inbound materials and then seeing the nature & quantity of the products, the WH team take necessary steps and allocate space within 3 working days. When suppliers come to deliver the products, The WH team checks the physical quantity along with the PO/LoA and Challan. Hereafter, the products are stocked in the assigned space on the same day and then inbound register is updated & QC team get the notification for conducting QC if required. Later on, the user confirms the QC date and WH takes necessary arrangements for that. QC has conducted for the inbound products and the QC team handover all the related documents to the WH team. The products that pass the QC, is only considered as inventory and then WH team stores the products in the nominated place. After completing all the process, WH inputs data in BIN card and also in the Excel Stock.

Inventory management:

Managing inventory or warehouse usually includes safety stock management, bin card management, damaged stock management, return products, and inventory count. Safety stock varies in quantity depending on the nature of the materials and it is calculated based on the requirements and value of the inventory. According to the status of the safety stock, user takes necessary steps further. BIN card contains information like Item name, PO/LoA reference, and Supplier name and so on. There is a damage stock register where WH maintains and update the data on a regular basis. Moreover, WH maintains a database for all the returned products. WH needs to reports at the end of every month to the stakeholders regarding all the stocks in the WH. Besides, a year-end inventory count takes place in front of respective users of the stock.

Outbound:

Outbound takes place of available items in stocks after getting dispatch requisition from users. Its WH responsibility to share the dispatch strategy for getting the confirmation from the user and this plan or strategy can be changed and reviewed. Outbound includes Picking, sorting, packing and weighing & handover the items to user's designated person or to courier service. WH is liable to check the whole process and signing all the necessary documents. For the purpose, they make challan where all the details like the number of items, quantity, weight, and destinations are given and then handover the item to courier service or to the authorized person to receive the items on behalf of the user.

3.2 Procurement Process

The whole process of identifying the need of any products or services to receiving that is shown below in a cycle view:

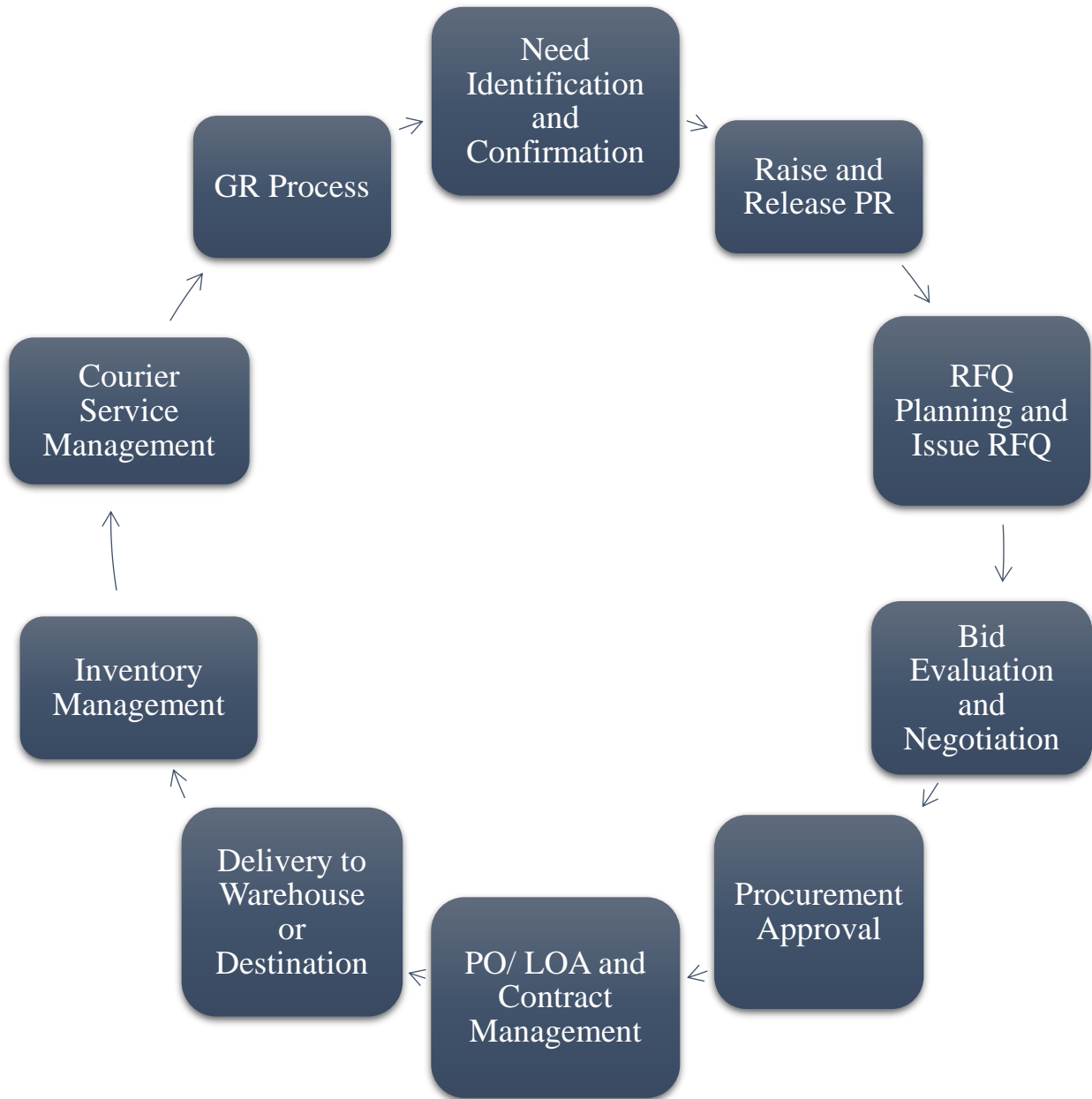


Figure 4: Procurement Cycle of bKash's SC&P

The process starts with identifying the need of different departments of bKash which includes Marketing, Commercial, Human resources, Administration, Customer service, IT, Finance. After developing the specifications of the work or service, user dept. raises Purchase Requisition (PR) which is the detailed requisition of the good or service in the Abacus (ERP Software). From there on, the PR is assigned to the procurement personnel and then the person starts preparing for RFQ planning depend on the required item. RFQ is always issued over emails with necessary clarifications and invite the bidders to participate in the bidding process and submit the Quotation on time in the tender. After hitting the deadline, all the proposals are evaluated based on pre-defined analysis criteria and then procurement personnel analysis few areas which consist of proposed price, reference price, target price, lead time, payment issue, warranty, performance and so on. After doing all the analysis, the negotiation plan is prepared and qualified bidders get invitation for negotiation meeting. After the negotiation, procurement personnel prepares Procurement Fact Sheet (PFS) which is recommended by the procurement unit lead and approved by the HoSC&P and it follows all the RFQ documents like negotiations, analysis, and the final comparative statement. After the approval of PFS from HoSC&P, it is given to the SC&P Compliance for the approval and then it has risen in Abacus. Hereafter, procurement personnel issues Purchase Order (PO) & Letter of Award (LoA) and then the order is processed to the selected suppliers. Later on, suppliers deliver the required items in the WH or in the designated place and then the WH team complete all the necessary process and deliver the products to the end-users.

Chapter 4

Analysis and Interpretation of the Findings

To find out the difference between the ideal concept and the actual practice of SC&P dept. of bKash, an analysis has been prepared from the perspective of the Stakeholders (Supplier & User). For this purpose, a Suppliers' Satisfaction Survey has been conducted among the selected categories of suppliers as well as the feedback has been taken from respective designated personnel.

4.1 Analysis from Suppliers' Perspective

Among the total twelve categories, Offset Printing, Digital Printing, Events & Activations, Gift Items, Technology, General Supply, Outsource and General Services, Renovation & OOH have been selected for conducting these survey. The reason behind choosing these categories is these suppliers provide products and services to bKash on a regular basis. The survey has focused on the areas where the suppliers have faced problems and the possible area of improvement from the suppliers' point of view.

Interpretation of the Findings:

In the survey questionnaire, there were in total thirteen questions which includes suppliers' procurement category, duration of working with bKash, regarding suppliers' enlistment portal, experience with financial transaction like bill submission or payment issue, reason behind not to participate in Request for Quotation (RFQ), problems faced while delivering products in Warehouse (WH), and the overall work experience with bKash limited and the level of satisfaction or dissatisfaction, if they have any.

First of all, we have tried to identify suppliers' procurement category because it is important to identify in which areas suppliers are facing problems and which types of products or services they provide as well as, what is their overall opinion regarding bKash.

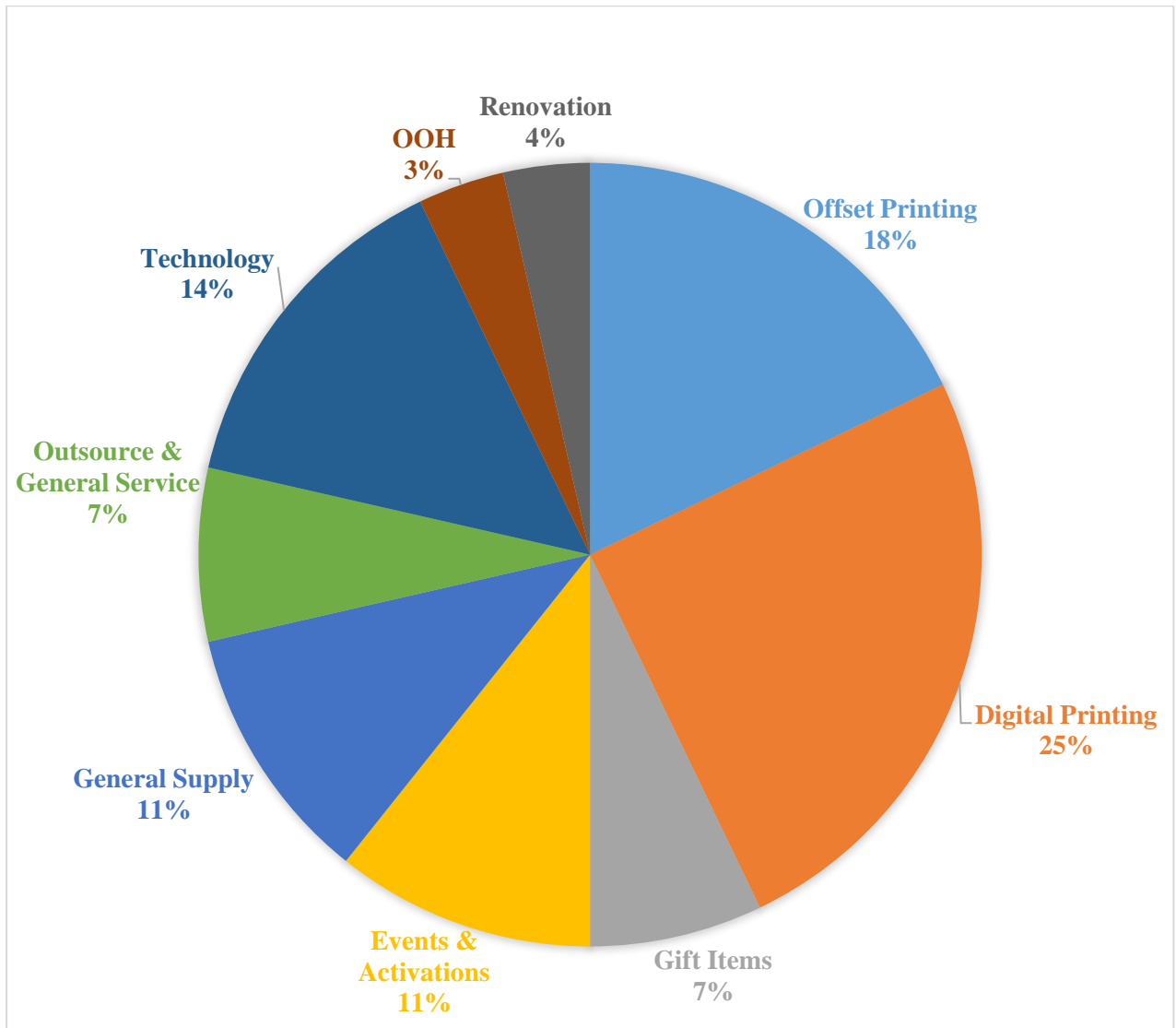


Figure 5: Procurement Category

The Pie Chart says that 25% of suppliers were from digital printing in the survey which is the highest. Hereafter, 18% were from offset printing which is the 2nd highest. Moreover, 14% of respondents were from technology. Both the general supply and events & activation

respondents were 11% and again, outsource & general service and gift items respondents were 7%. Furthermore, 4% were from the renovation and the lastly 3% were the OOH category.

Secondly, we have tried to figure out how long the suppliers are enlisted with bKash and comparing with the duration, which types of them are facing more difficulties.

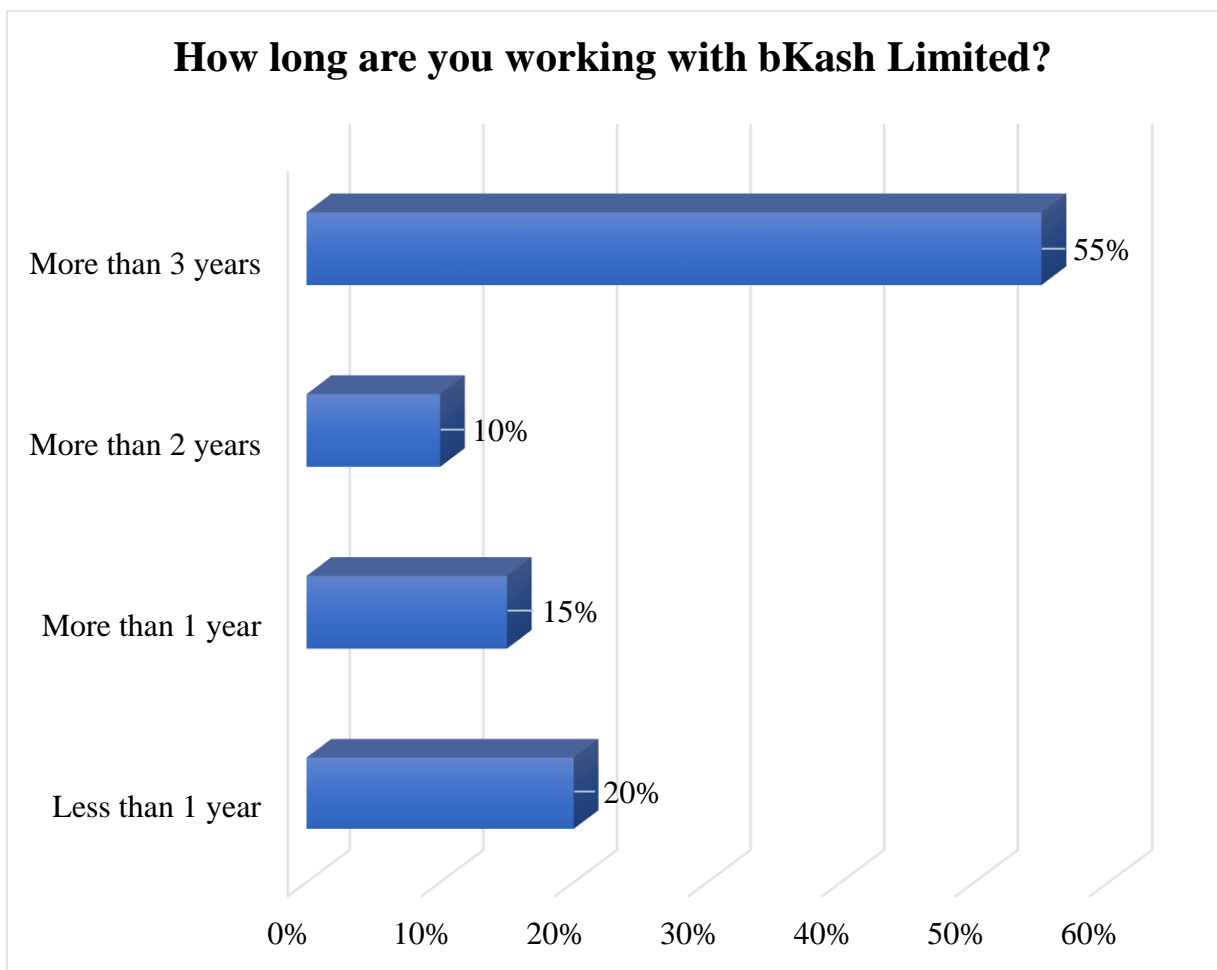


Figure 6: How Long You are Working with bKash?

The Bar Chart says that about 55% of the respondents are working with bKash for more than 3 years which is the highest and 10% of them are working for more than 2 years. Moreover, 20% of them are working for less than 1 year and the rest 15% are working for more than 1 year.

Thirdly, it has been tried to measure the Simplicity of the suppliers' enlistment portal which is considered as an important area. The reason for considering it important is, suppliers must have to enlist them before working with bKash's SC&P. So, is it the first step for a supplier to be engaged with bKash.

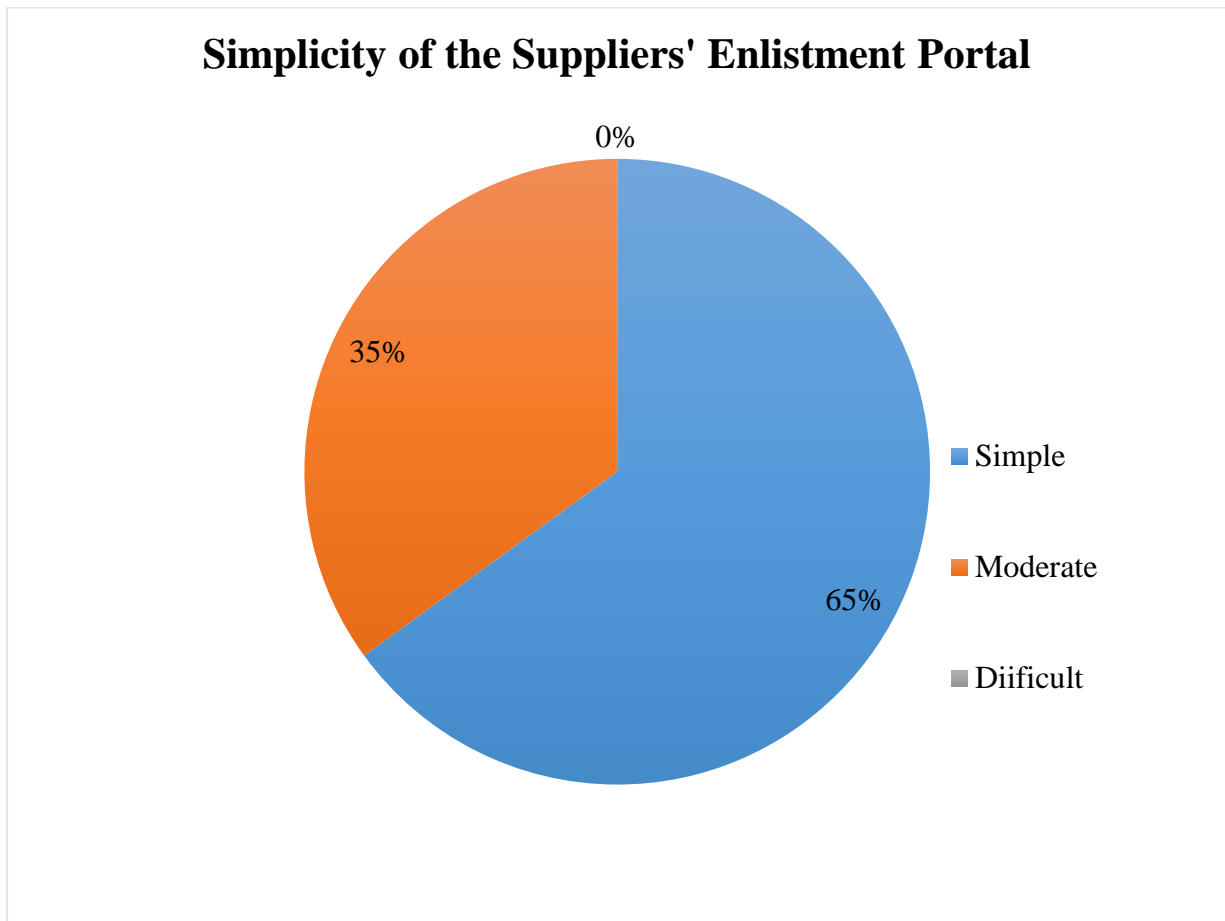


Figure 7: Rate the Simplicity of Suppliers' Enlistment Portal

It is seen that the majority percentage which is 65% rated that bKash's Supplier Enlistment Portal is Simple and the rest of the 35% rated it as Moderate.

While asking the question of the simplicity of the suppliers' enlistment portal, another question comes side by side and that is if any suppliers have faced any difficulties during the enlistment process.

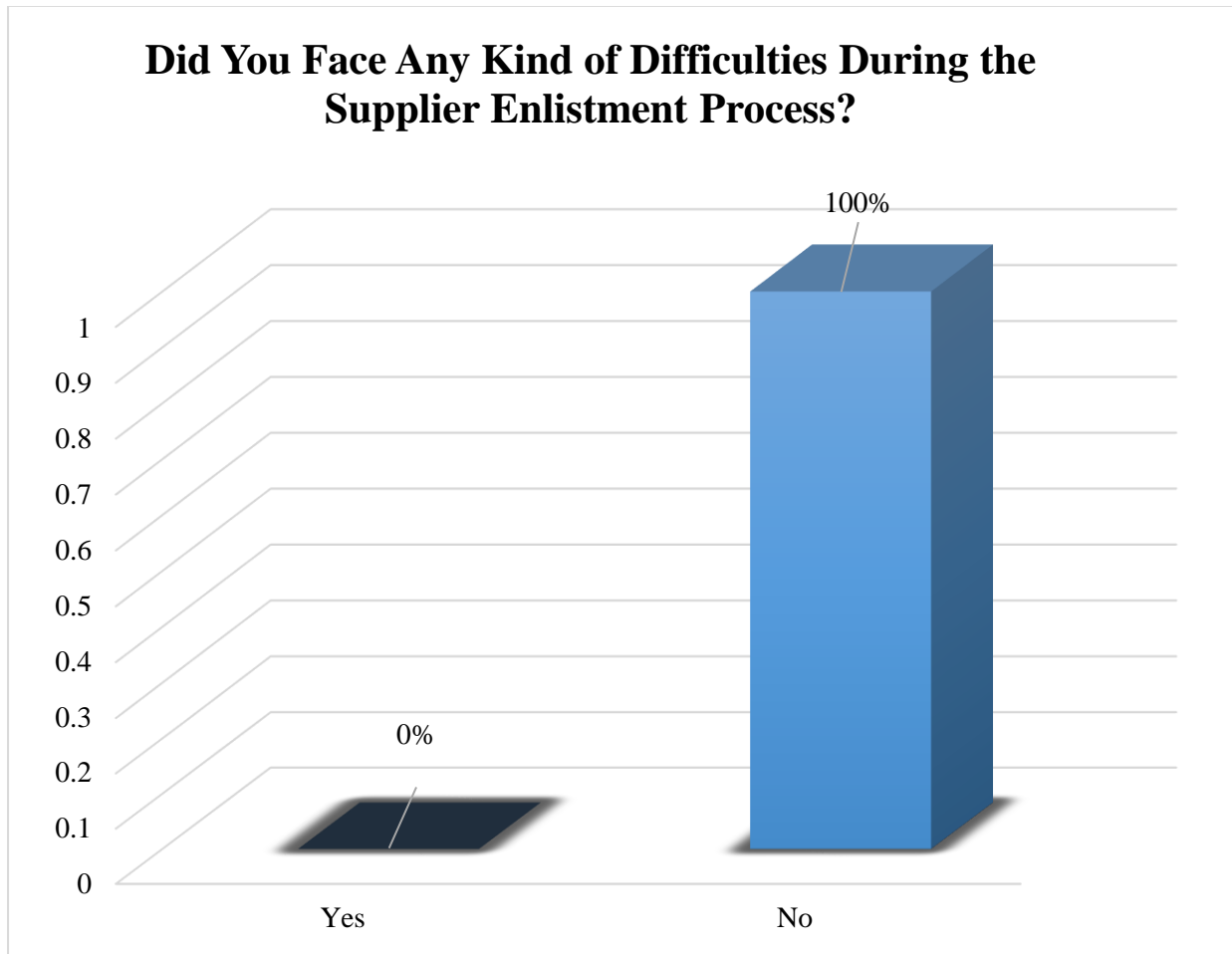


Figure 8: Difficulties Faced During Suppliers' Enlistment Portal

The bar chart says that suppliers didn't face any kind of difficulties during the Enlistment Process. So, it can be said that Supplier Enlistment portal is easy and convenient for the supplier.

Later on, they were asked about the factors that drive them not to participate in the RFQ. It is important to identify the reasons why suppliers do not participate in the RFQ.

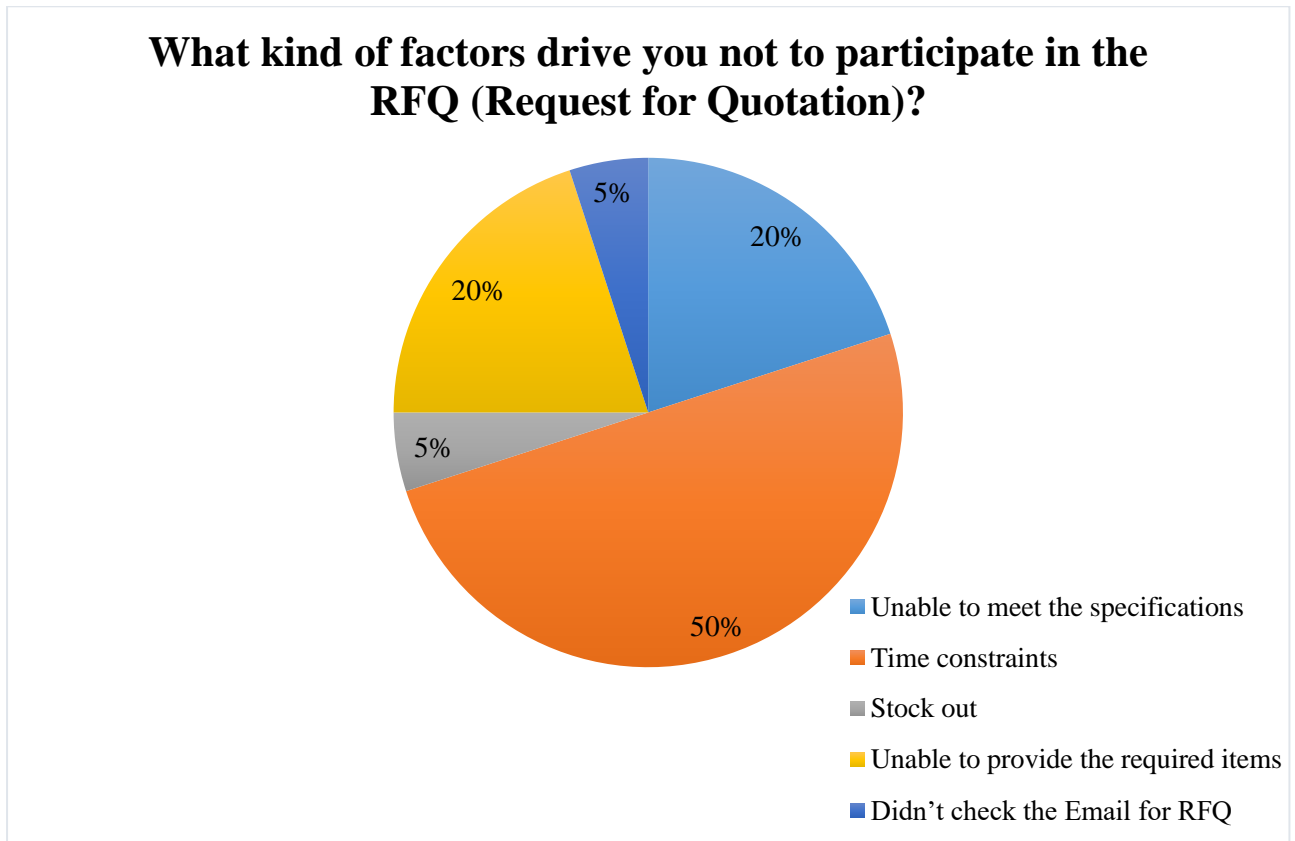


Figure 9: Driving Factors not to Participate in RFQ

We can see from the Pie Chart that 50% of respondents choose the option “Time Constraints” as the reason not to participate in the RFQ. Moreover, 20% of them choose “Unable to Provide the Required Items” as a reason. Again, another 20% choose “Unable to Meet the Specifications” for not participating. While telephone interview, it is also identified that sometimes suppliers do not participate in the RFQ because they don’t have the items and also item specification required by bKash does not match with their item specification. Lastly, both the 5% stated the reason as “Stock Out” & “Didn’t Check the Email for RFQ” respectively.

Hereafter, they were asked regarding the financial transaction which is bill submission and payment issue. It is considered as one of the major areas where the suppliers can face difficulties.

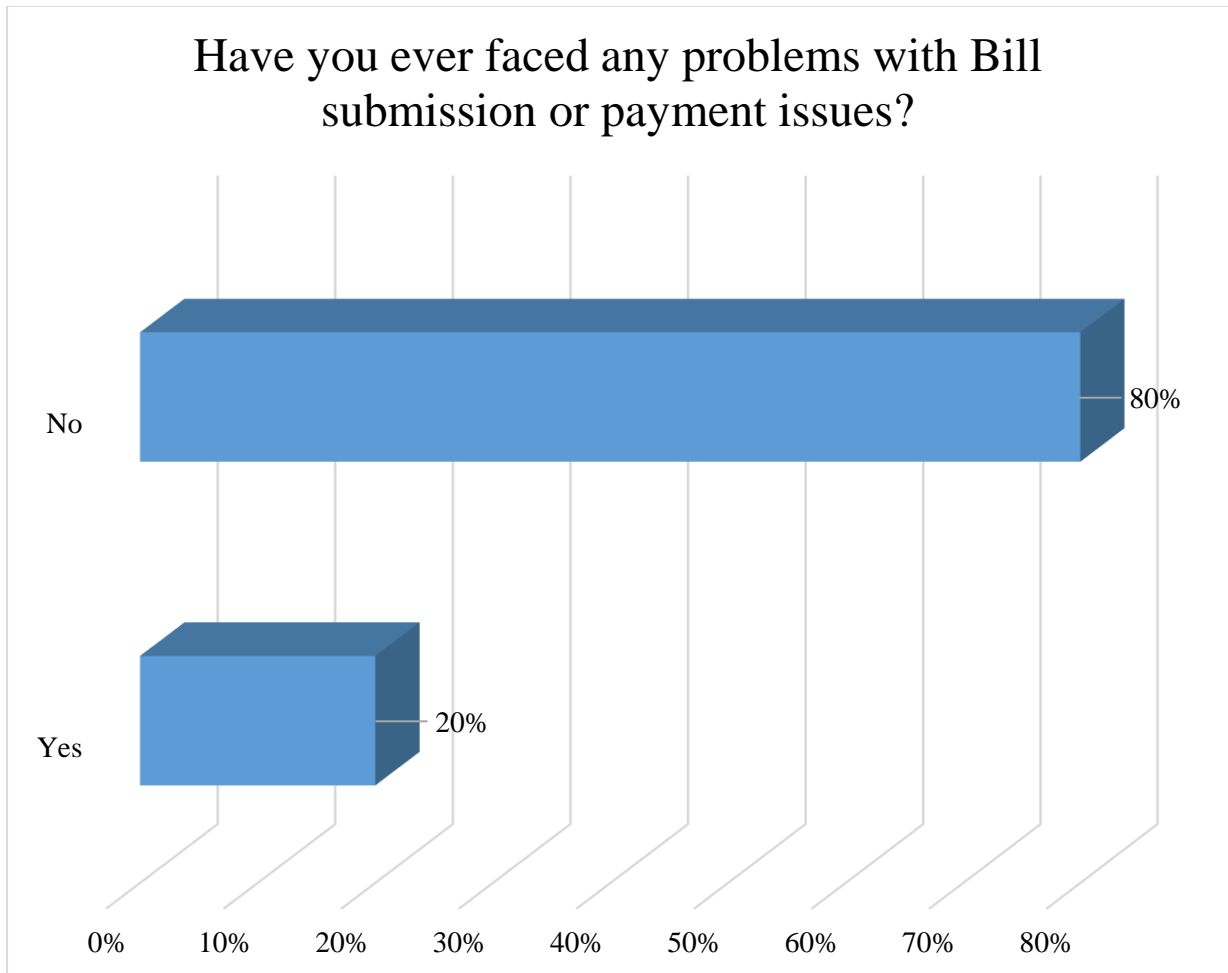


Figure 10: Problems Faced with Bill Submission & Payment Issue

It is seen that 80% of the suppliers which sums up the majority percentage didn't face any problems with Bill Submission or Payment Issues. Moreover, the rest of the 20% of suppliers have faced some kind of problems during Bill submission or payment issues.

Further, we have asked the suppliers for their agreement or disagreement that bKash has made it easy for them to work smoothly than before. This statement will help to figure out suppliers overall journey with bKash.

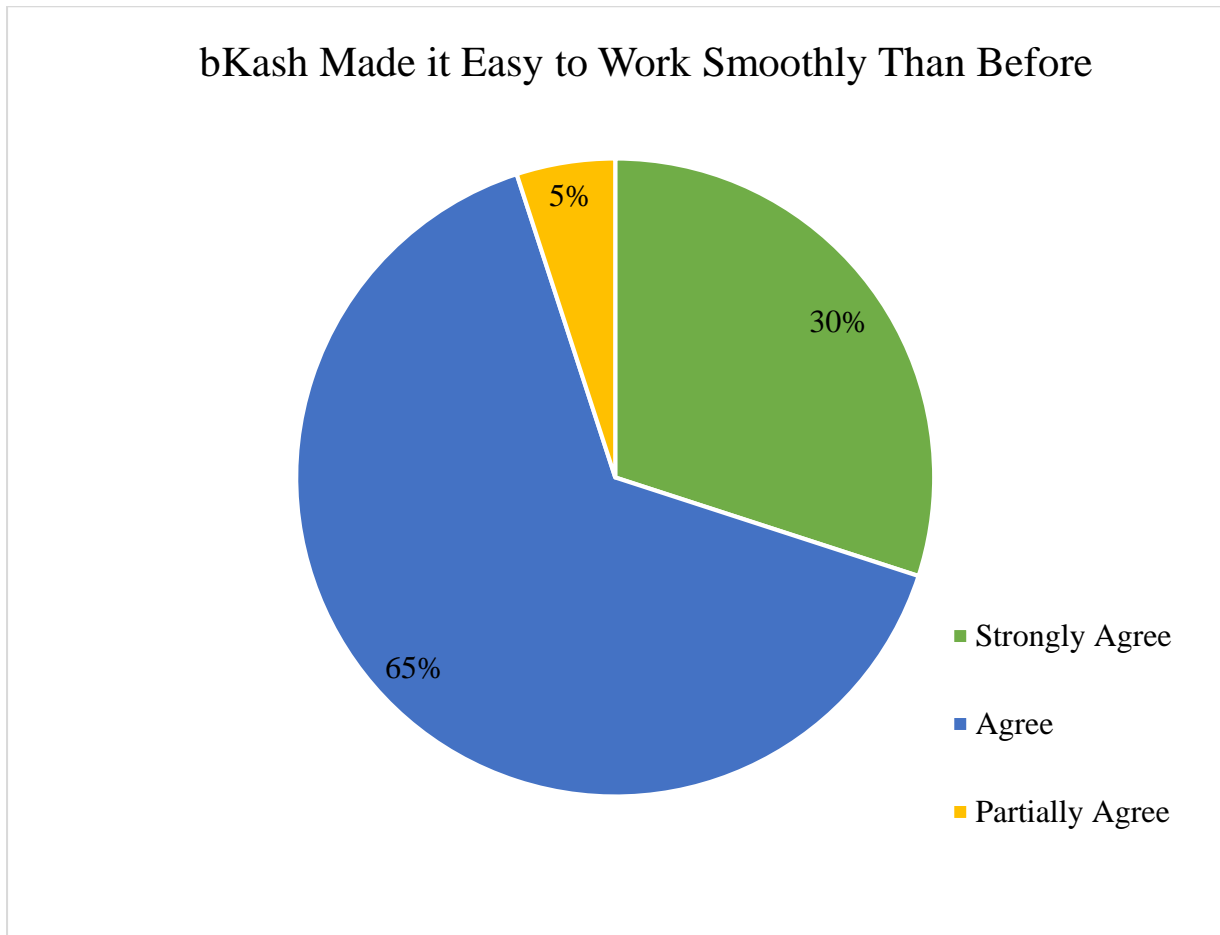


Figure 11: bKash Made it Easy to Work Smoothly

From the Pie Chart we can see there is no disagreement to the fact that bKash made it easy for the suppliers to work smoothly than before. In the midst of agreement, 5% of the respondents partially agreed to this point and 30% of them agreed to this. Moreover, the majority percentage which is about 65% of the total respondents strongly agreed that bKash made it easy for them to work smoothly than before.

By the same token, suppliers were asked to rate bKash as per their working experience on a scale of 0 to 5 which also reflects their journey the Company.

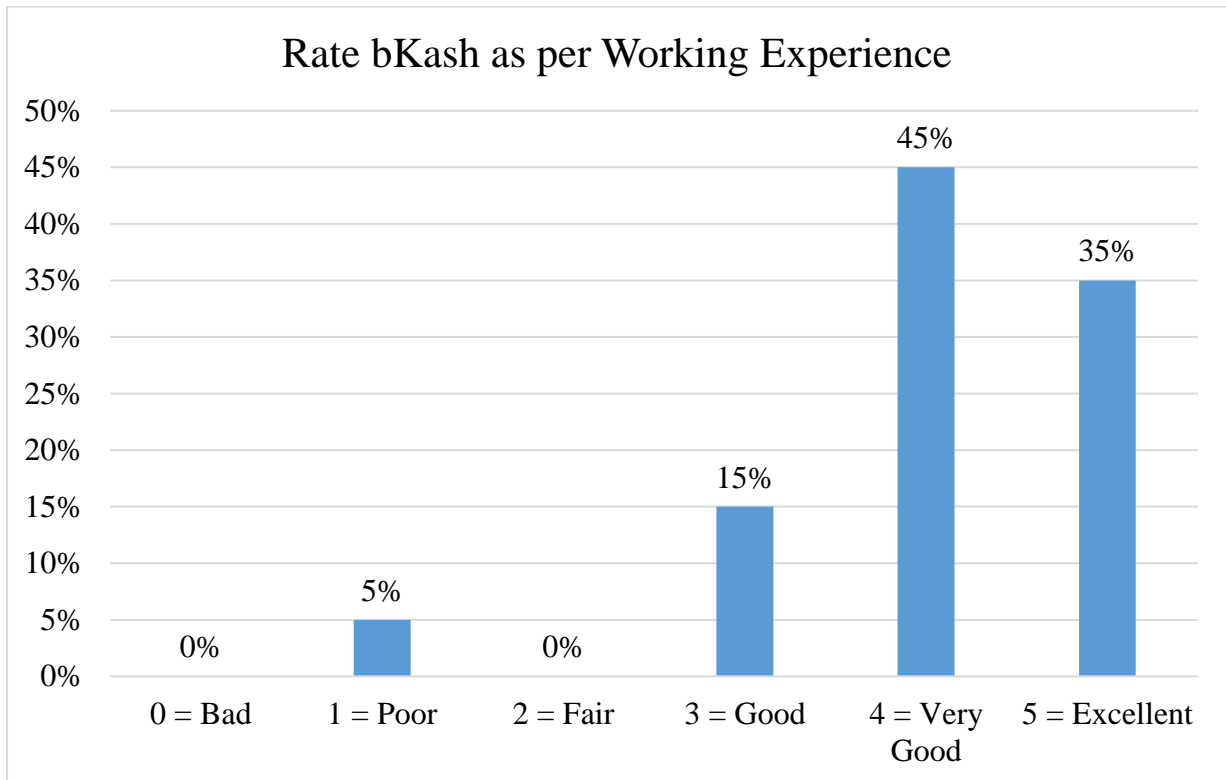


Figure 12: Rate bKash as per Working Experience

In this Bar Chart, we can see that only 5% of respondents rated their working experience as “Poor”. On the other side, 15%, 45% & 35% of respondents rated their working experience as “Good”, “Very Good” & “Excellent” respectively. These ratings indicate that 95% of suppliers working experience with bKash is in the range of Good to Excellent.

Last but not least, suppliers were directly asked the question that will they recommend bKash to other suppliers or not. These criteria will help to reflect suppliers' satisfaction level while working with the Company.

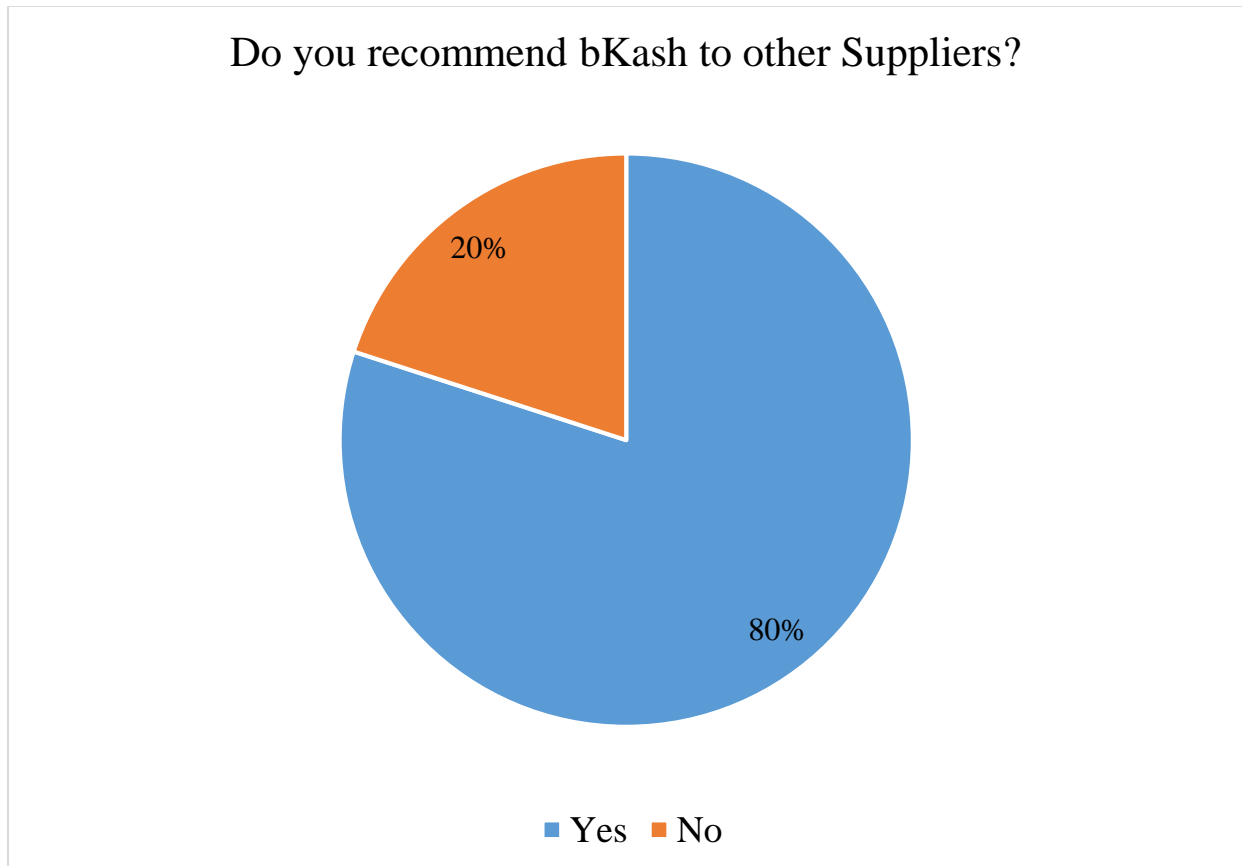


Figure 13: Recommend bKash to Other Suppliers

It shows that 80% of the respondents recommend bKash to other suppliers. These results indicate that most of the suppliers are satisfied in terms of working with bKash Limited.

4.2 Analysis from Users' Perspective

Feedback has been taken from respective dept. or personnel regarding the difficulties that have been faced by the suppliers and brief explanation of the suggested possible areas of improvement which are proposed by the suppliers.

1. Suppliers have claimed that the Finance & Accounts Division sometimes does not agree to receive the bill after 12:00 PM whereas per policy the bill submission time is up to 1:00 PM. I have talked to the respective personnel regarding this issue and got to know that the usual bill submission time is 10:00 AM to 1:00 PM. Suppliers can submit bill during this time frame and after that time no bill submission is accepted. On the other hand, in Ramadan this time frame is 10:00 AM to 12:00PM.
2. Besides, it is spoken that bKash does not want to receive any invoice without Musak-11 and the suppliers want to say that Musak-11 is not applicable for all type of organizations. At present, Mushak-6.3 is required in exchange of Mushak-11 while submitting any invoice and it is mandatory requirement for all type of organizations.
3. Suppliers claimed that here is a complexity for the partial payment and no clear instruction regarding the partial payment invoice. Basically, getting partial payment or advance payment depends on the negotiation of the suppliers with the procurement personnel. Finance has nothing to do with partial payment issue.
4. Offset printing suppliers wanted to focus on the area that Imported Foreign paper gsm tolerance is 10% but bKash only accept 3% for art card or art paper. Suppliers suggested to increase the tolerance level but bKash never compromise with the quality and specifications with any of its item.

4.3 Finding the Gap in the Process

Through our survey, we have identified a few areas where there is a gap in the actual process compared to the ideal one.

1. Warehouse Related Issue

Suppliers have mentioned that most of the time it takes a lot of time while delivering items in the WH and they want to focus on the area saying that it kills their valuable time. Another problem which is also stated by the supplier is the parking space problem in front of the WH. On the other side, whenever I have visited the WH, I have noticed that there is a space problem in the WH because there are a lot of items which are stored for a long period.

2. Difficulties with Procurement Process

It is complained by some of the suppliers that sometimes the item specifications mentioned in the PO is not prepared as per the negotiation meeting of the items rather it follows the RFQ only. Moreover, suppliers have faced difficulties because they got PO after one month of the negotiation meeting and finding the high market price of the item then. For that reason, either supplier bears the loss or back out by saying the item is stock out.

Chapter 5

Recommendations

From the experiences I have gained throughout my internship period in bKash, few recommendations can be drawn by analyzing the overall process of SC&P for further consideration.

- i. It is important to eliminate the communication gap among the procurement personnel, user and suppliers in order to continue the whole process smoothly. The concerned authority needs to take initiatives to minimize the gap. Moreover, both the user and the supplier need to be aware of the procurement process so that they can co-operate with the process accurately.
- ii. SC&P team can take a few initiatives for identifying the needs to cover big and important events like Eid campaigns, DITF campaign, Ekushe Boi Mela, Pohela Boishakh. If they take some kind of proactive measures or planned strategy for this type of needs, then it might be possible to minimize the gap in the area like Events & Activations supplier get less time to provide products or services.
- iii. Strategic planning can be developed for the WH to allocate and maintaining the stock of different types of items. Items that don't have any further use or failed in QC, need to be damaged quickly so that, it will help to create space for newer items. WH management can form a separate team for this purpose.
- iv. It is recommended to develop a software for WH management that will help the user to get all the updates then and then regarding any inbound, outbound, stock quantity at the end of any dispatch.

- v. The concept of Supply Chain Finance can be introduced for high-value products which might be helpful for the suppliers to work more efficiently than before. It is seen that there are few items for which suppliers ask for partial payment or advance payment. So, Supply Chain Finance strategy can be a possible solution to that.

- vi. The suppliers' enlistment portal can be modified and can be connected with the ERP software of SC&P dept. which might be helpful for issuing PO/LoA to the suppliers. Moreover, modification of the portal might be able to reduce the range of having backdated information of the suppliers.

- vii. There are few items which price fluctuates in the market. So, procurement personnel can look into those specific categories of items and can take necessary steps to issue PO/LoA as soon as possible after the negotiation meeting.

Chapter 6

Conclusion

Supply Chain Management (SCM) is not only limited to a specific concept rather it is a broad area which requires Strategic Planning, Proper Control and Execution of the Strategy. In the Financial Supply Chain system, it executes the purchase of products and services for running the whole organization. I have got the opportunity to work with the Supplier Management Team of SC&P dept. of bKash as well as, got the opportunity to get in touch with the whole process of the SC&P dept. and things related to that. All the information that I got from my internship period and by conducting the survey of the suppliers, I have prepared this report focusing on the analysis of the whole function from the suppliers' perspective.

References

- [1] Song, D. and Y. Xu. (2011). Integrated Design of Service Supply Chain in the Perspective of Producer Service Outsourcing, International Conference on Management and Service Science (MASS), IEEE, pp. 1-4
- [2] Cheng, F., Yang, S., Akella, R. and Tang, X. (2011). An integrated approach for selection of service vendors in service supply chain. Journal of Industrial and Management Optimization, 7(4), pp.907-925.
- [3] The Daily Star. (2018). Well-managed supply chain to fuel growth. [online] Available at: <https://www.thedailystar.net/business/well-managed-supply-chain-fuel-growth-1603303> [Accessed 17 July. 2019].
- [4] SME, S. (2018). What is Supply Chain Management (SCM)? | Supply Chain Resource Cooperative | NC State University. [online] Scm.ncsu.edu. Available at: <https://scm.ncsu.edu/scm-articles/article/what-is-supply-chain-management-scm> [Accessed 10 July. 2019].
- [5] Chen, G. and Rasmussen, S. (2014). bKash Bangladesh: A Fast Start for Mobile Financial Services. [online] Cgap.org. Available at: https://www.cgap.org/sites/default/files/Brief_bKash_Bangladesh_July_2014.pdf [Accessed 19 July. 2019].
- [6] Rahman, M. (2018). Bangladesh most optimistic market. The Daily Star. [online] Available at: <https://www.thedailystar.net/business/bangladesh-most-optimistic-market-1584097> [Accessed 6 July. 2019].

- [7] Chowdhury, A., Alam, M. and Habib, M. (2018). Supply Chain Management Practices in Services Industry: An Empirical Investigation on Some Selected Services Sector of Bangladesh International Journal of Supply Chain Management, Vol. 6(No. 3), pp.152-162.
- [8] bKash Limited. (2019). Available at: <https://www.bKash.com>
[Accessed 12 July. 2019].

Appendix A.

Supplier's Satisfaction Survey Questionnaire – bKash Limited

This Survey Questionnaire is only for Educational Purpose Research.

1. Identify your procurement category.
 - a. Technology
 - b. Offset Printing
 - c. Digital Printing
 - d. Renovation
 - e. Events & Activations
 - f. General Supply (e.g. electronics, stationaries, kitchen consumable...)
 - g. Outsource & General Services (e.g. Manpower service...)
 - h. OOH (e.g. Billboard, Ferry, Bus, Building branding...)
 - i. Media Buying
 - j. Fleet
 - k. Gift item

2. How long are you working with bKash Limited?
 - a. Less than 1 year
 - b. More than 1 year
 - c. More than 2 years
 - d. More than 3 years
 - e. Others.....

3. Rate the simplicity of the Supplier's enlistment portal according to you:
 - a. Simple
 - b. Moderate
 - c. Difficult

4. Did you face any kind of difficulties during the Supplier Enlistment Process?
 - a. Yes
 - b. No

5. If Yes, Please describe what kind of difficulties you have faced during the enlistment process.

.....

.....

6. What kind of factors drive you not to participate in the RFQ (Request for Quotation)?
 - a. Unable to meet the specifications
 - b. Time constraints
 - c. Stock out
 - d. Unable to provide the required items
 - e. Didn't check the Email for RFQ
 - f. Others.....

7. Have you ever faced any problems with Bill submission or payment issues?
 - a. Yes
 - b. No

8. If yes, what kind of problems have you faced with Bill submission or payment issues?

.....

.....

9. What types of problems have you faced while delivering products in the warehouse, if any?

.....
.....

10. To what extent, do you agree with the following statement: bKash made it easy for you to work smoothly than before?

- a. Strongly Agree
- b. Agree
- c. Partly Agree
- d. Disagree
- e. Strongly disagree

11. On a scale of 0 to 5 (0 = bad to 5 = Excellent), Rate bKash as per your working experience with it:

- a. 0
- b. 1
- c. 2
- d. 3
- e. 4
- f. 5

12. Do you recommend bKash to other Suppliers?

- a. Yes
- b. No

13. Do you have any other comments / suggestions?

.....
.....