

# INTERNSHIP REPORT ON



Research Needs of Private Commercial Banks  
Of Bangladesh.

-How May CDCS Go About This?



# REPORT ON

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## Research Needs of Private Commercial Banks Of Bangladesh.

### -How May CDCS Go About This?

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#### Submitted to:

Mrs. SaminaHaque

Lecturer

BRAC Business School

BRAC University

#### Submitted By:

Protick Chandra Dey

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BRAC Business School

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Date of Submission: 8<sup>th</sup> November, 2012

# LETTER OF TRANSMITTAL

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To

Mrs. SaminaHaque

Senior Lecturer

BRAC Business School

BRAC University

Subject:Submission of Internship report on **“Research Needs of Private Commercial Banks of Bangladesh.-How May CDCS Go About This?”**

Dear Madam,

This is my great pleasure to submit the Internship report of my three months long Internship program at CDCS. The title of the report is **“Research Needs of Private Commercial BanksOf Bangladesh.-How May CDCS Go About This?”**This report has been prepared to fulfill the requirement of my internship programat my assigned organization.

I have put my utmost effort to make this report a successful one. It has been a joyful & enlightening experience for me to work in the organization & prepare this report. However this has been obviously a great source of learning for me to conduct similar types of studies in the future.

I would like to express my sincere gratitude to you for your kind guidance & suggestions in preparing this report. It would be my immense pleasure if you find this report worthwhile& informative to have an apparent perspective on the issue. I shall be happy to provideany further explanation and query regarding this report or any other relevant matters, if required.

Thanks and Best Regards,

Protick Chandra Dey

ID: 08104081

Department: BBS

Major: Finance

BRAC University

## PREFACE

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In real life scenario, only the theoretical knowledge is not enough to build up career. We the students are given the theoretical basement so that we can face the difficulties efficiently and effectively that comes in our life. As a partial requirement of BBA program each student is required to write a report paper on respective topic as selected by the supervising teacher.

This Program initiates a one to three month internship working in any business organization, which is obviously a matter of appreciation. It helps the students a lot in achieving practical knowledge and applying the theoretical knowledge in real ground.

In consequence, I was appointed to work in “CDCS” for three months and prepared a report on **“Research Needs of Private Commercial Banks of Bangladesh.-How May CDCS Go About This?”** I believe this report is a reflection of accumulation of my effort, learning and dedication.

## ACKNOWLEDGEMENT

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This internship report is an accumulation of many people's endeavor. I would like to convey my sincere appreciation to the almighty God for giving me the strength & the ability to finish the task within the planned time. Then I would like to express my sincere gratitude to everyone who contributed towards preparing & making this study successful. Major contribution was received from different private commercial bank personnel. To prepare this internship report considerable thinking & information input from various sources were involved.

First of all I would like to express my Sincere & immense gratitude to my internship supervisor Mrs. Samina Haque, Senior Lecturer of BRAC Business School, BRAC University. I am deeply indebted to her whole hearted supervision to me during the Internship Period. Her valuable suggestion & guideline helped me a lot to prepare the report in a well-organized manner.

I would also like to thank the authority of CDCS for giving me the opportunity to do my internship in their well renowned business organization. The experience & knowledge gained in CDCS helped me to understand different aspects and elements related to my study. I would like to give thanks to:

Ms. Syeda Farzana Morshed (MD, CDCS)

And also to-

Mr. Sohel Rana (Program coordinator, CDCS)

Mr. Rubayat Mamun (Program associate, CDCS)

I am also grateful to the other officials & my friends who helped me while preparing the study by giving their suggestions, assistance & supply of information, which were valuable to me. Their helping hand supported me to complete my report successfully. Finally, I want to keep my thanks to my parent who gave special attention to me from the very beginning and during the preparation of report & the internship program.

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## EXECUTIVE SUMMARY

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This study is conducted with two principal aims, firstly to feature the ongoing practices of private commercial bank industry of Bangladesh on the basis of research and consultancy need and second is to determine or identify sectors of possible intervention form CDCS.

Therefore it is hoped that this study would contribute to CDCS and all other multidisciplinary research and consultancy firms to achieve sector specific information to consider banking industry as potential market.

First part of this report is based on the introduction which includes topics like objective, methodology and limitation of the study. Basically it defines the overall research and consultancy situation along with private commercial banking industry of Bangladesh and states the problem.

In the next part of the report highlights a brief background of CDCS Limited, with their mission, vision, objective, business strategies. This chapter also includes topics like organogram, their functional coverage and also provides a brief summary all services offered by the CDCS.

Finally this report highlights the sectors in which private research and consulting firms can intervene and work on with their expertise. Firms should pick individual sectors to serve as banking industry is vast and dynamic over here. The general idea is to develop an association between banks and firms to best maintain a sustainable win-win situation in quality improvisation. Ways to achieve this situation is also included in the report as recommendation.

As a whole, this report seeks market opportunity in banking industry and leads CDCS towards various sectors of it. This will help CDCS to take those first steps towards banking industry to enter and choose to serve from wide array of sectors.





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Chapter One:

# *INTRODUCTION*

INTRODUCTION

## 1.1 INTRODUCTION:

Research and consultancy is an art and source of innovation which is proving its significance day by day in Bangladesh. In today's global world, generating new knowledge and turning it into new products and services is crucial to maintain and enhance competitiveness in every business. And so is for research and consultancy business over here. Transforming the results of scientific research into new commercial products is, however, a complex process involving a broad range of actors. This is why it should be ensured that researchers and industry work closely together and maximize the social and economic benefits of new ideas by removing the barriers that hinder collaboration.

This very report is generated from such effort to make a bridge between the private commercial banking industry of Bangladesh and Multidisciplinary research and consulting firms, where two way communications will ultimately benefit both.

The Bangladesh banking sector relative to the size of its economy is comparatively larger than many economies of similar level of development and per capita income. The total size of the sector at 26.54% of GDP dominates the financial system, which is proportionately large for a country with a per capita income of only about US\$370, which reflects the potential future prosperity of the banking industry.

On the other hand research and consultancy practice is comparatively new in Bangladesh and is not widespread. The number of private firms providing such services has increased over the year but is still low in comparison with the global scenario. Service offerings of these firms greatly vary on marketing and social perspective. The activities of market research include defining marketing opportunities and problems, generating and evaluating marketing ideas, monitoring performance, and understanding the marketing process. At the same time social and business consultancy refers to both organizations and society; improve their performance, primarily through the analysis of existing problems and development of plans for improvement. Organizations hire the services of management consultants for a number of reasons, including gaining external (and presumably objective) advice, access to the consultants' specialized expertise, or simply as extra temporary help during a one-time project, where the hiring of more permanent employees is not required.

The same goes for banking. There is a big demand of banks to conduct researches for decision making purpose for its multi diversified services such as training, capacity building, financing, sector analysis etc. In addition to that there are also sectors like CSR, customer perception and satisfaction level identification etc. that needs intense and constant research. This indicates

massive potentiality which can be identified and capitalized by research and consultancy firms and turn it into huge prospective market.

## 1.2 Objectives:

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The main objective of this report is as follows-

### Primary objective:

- To identify the level and diversity of research involvement along with the private commercial sector and indication of possible potentiality for intervention of research and consultancy firms to this industry.

### Secondary objective:

- Detailed analysis of banking practices concerning research and consultancy support.
- Identification of banking benefit purpose.
- Banking sector specification concerning research and consultancy support.
- Source of service identification.
- Identification of research firms providing services to banks.
- Identification of possible gap between demand and supply of services.

## 1.3 Methodology:

This internship report is a descriptive study processed by qualitative analysis. It has been written on the basis of information collected from primary as well as secondary sources.

### Sources of Primary Data:

The main source of the primary data collection of my report was by personal interview with different private commercial bank personnel. It helped me to build the base and to collect the essential & vital information to prepare this report. It also assisted me with different leads and unknown information regarding this issue. A set of questions (comprising of both open ended and close ended questions) were prepared as questionnaire to cover the whole query regarding this report in details. Different private commercial bank personnel were asked these questions from the questionnaire and responses were written down.

### Sources of Secondary Data:

The secondary data has been collected from several kinds of sources. Great deal of secondary data was obtained from different websites of various bank and research companies. Different company's research reports on various bank have been used for preparing the report. Theoretical aspects of the report have been drawn and documented carefully to comply with the requirement of the study.

Other necessary data and information has been collected by the following sources:

1. Project and Client list of different research firms.
2. Newspapers and journals.
3. Bank's web site.

## **1.4 LIMITATION OF THE STUDY:**

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While undergoing the study, I was enthusiastically trying to present the topic in a concrete manner. In doing so, I was confronted with some problems as follows:

- The lack of experience in the survey field was a limiting factor.
- Lack of time and resource constraint has also limited the scope to conduct the survey smoothly and so to prepare the report.
- Sufficient records & publications as well as up to date information are not readily available.
- No research in such field has been conducted so far to assist my report with more in depth information.
- Lack of working days due to the holy Ramzan holidays made the interviews less interactive due to the additional work force of the officers & executives.
- Another limitation of this report is that the Bank's policy of not to disclose sensitive data & information for obvious reason, which could be much more meaningful for this report.

## **1.5 Scope of the Report:**

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This report in general emphasis on building knowledge sharing practice between industry and research and consultancy firms to increase efficiency and effectiveness by seeking for potentiality to enter research and consultancy firms to banking industry. Firms in this business may facilitate themselves by engaging to this potential dominant market as a prospective co facilitator. Detail sectorial analysis will enable the firms to study and decide specific sectors in banking to serve. Matching expertise with the choice of sectors to serve can truly bring about competitive edge in this regard. Never the less detail description of present ongoing practices of banks will be informative in case of competitor analysis, involvement range, potentiality, diversity and judging overall situation.



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Chapter Two:

# *COMPANY OVERVIEW*

COMPANY OVERVIEW

## 2.1 Introduction:

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The Center for Development & Competitive Strategies (**CDCS**) is a fast emerging independent private sector research and consulting firm. It serves businesses, industry associations, development organizations and government/autonomous agencies with a set of knowledge-based solutions. CDCS solutions include contract research, strategic intervention design, business model development/strategy formulation, public policy analysis and policy memo, organizational capacity building, training workshops, implementation assistance and independent evaluation of projects.

## 2.2 CDCS Vision:

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The Center for Development and Competitive Strategies (CDCS) strives to translate the wealth of accumulated knowledge into professional practices in the fields of business and development to ultimately contribute towards competitiveness through improved human and organizational capacity.

## CDCS Mission:

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Contributing towards economic growth and development through market-driven socially-responsive strategies and interventions to facilitate market development and help enterprises attain lasting competitiveness.

## CDCS Goals:

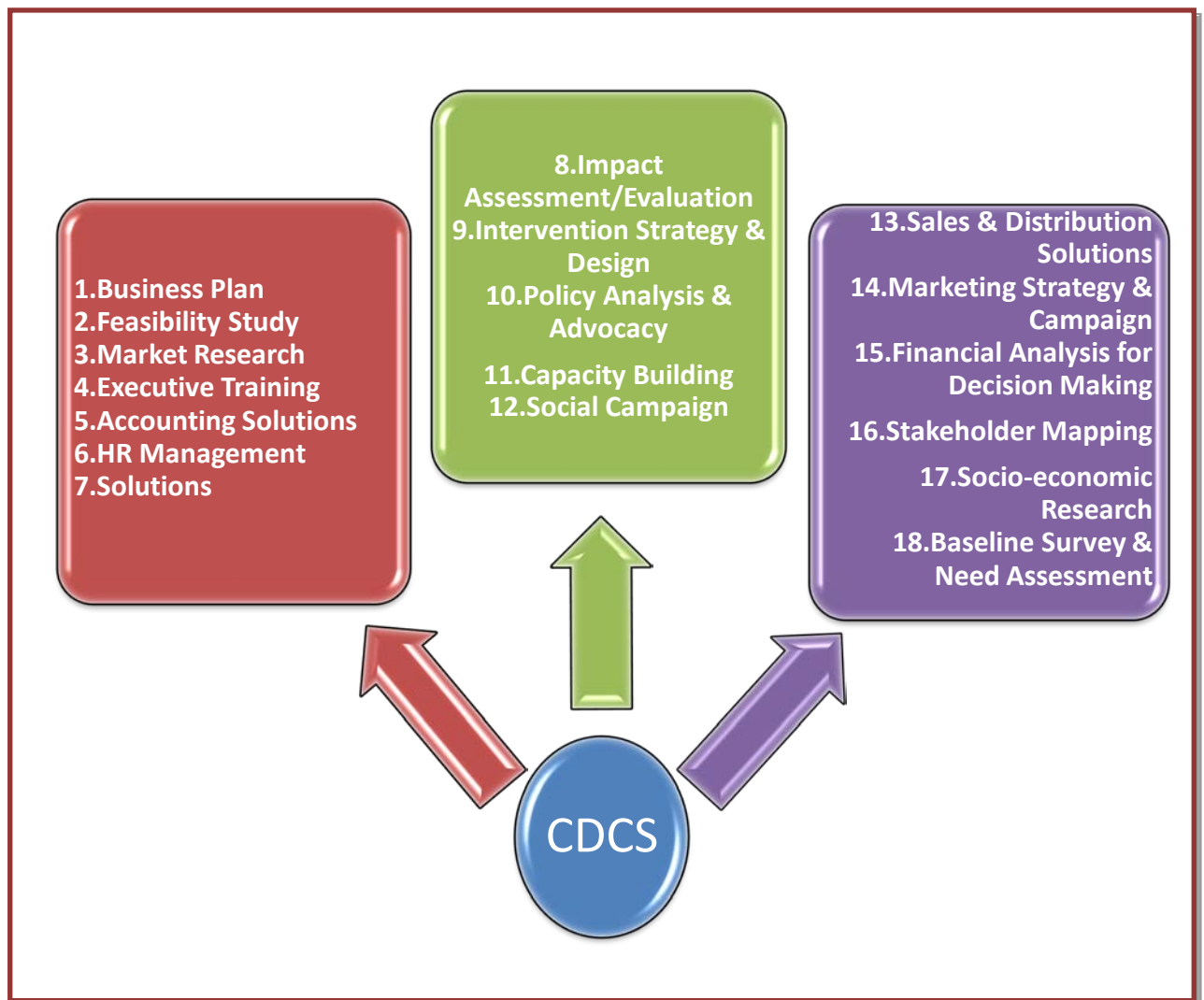
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- ✓ Assisting market development and advancing market -driven solutions
- ✓ Promoting private sector growth by enhancing enterprise competitiveness

- ✓ Improving human competency and building organizational capacity
- ✓ Facilitating partnership and stakeholder participation in addressing development needs
- ✓ Improving market responsiveness and creating value for the stakeholders in a socially responsible way

## 2.3 Product/service offerings:

### CDCS Services:





## CDCS Solutions:

### CDCS Research & Strategy Solution (c-RSS):

**c-RSS** brings all-authentic answers to queries on the decision table. To assist in research-based decision making, CDCS takes note of clients concerns, develop research instruments, collect data, do data masking, develop database, perform quantitative and qualitative analysis, run validation workshops, write report and make presentations.

**c-RSS** services include, but not limited to the following:

- ✓ Market Research
- ✓ Value Chain Analysis
- ✓ Strategy Formulation
- ✓ Sector Study
- ✓ Policy Analysis & Policy Memo
- ✓ Socio-Economic Surveys
- ✓ Baseline Survey
- ✓ Impact Assessment
- ✓ Need Assessment
- ✓ Strategic Intervention Design
- ✓ End-line Survey / Evaluation

### Financial Management and Accounting Solution(c-FMAS):

**c-FMAS** helps organization to achieve great financial control and make educated financial decisions. CDCS designs computer-based accounting information system so that accounts could be updated at any point in time and from any angle desired. It's just at the mouse click! Once the AIS is developed, CDCS will answer to all financial queries and produce interim financial reports.

**c-FMAS** accounting services include, but not limited to the following:

- ✓ Accounting Information System
- ✓ Development (desktop/web-based)
- ✓ Accounting Support & Instant Financial
- ✓ Statement Preparation
- ✓ Sound investment decision...

c-FMAS assists clients with the following services:

- ✓ Feasibility Study
- ✓ Investment Analysis
- ✓ Business Plan Development
- ✓ Financial Performance Analysis & Decision Support

### CDCS Management & Human Resource Solution (c-MHR)

c-MHR assists clients to address their needs involving human resource management, organizational development, communication and other managerial challenges. CDCS helps to get re-energized and strengthened with its unique products such as ice-breaking, teambuilding, and leadership programs. To improve organizational capacity, human productivity and profitability, c-MHR solutions are very handy.

c-MHR services include, but not limited to, the following:

Individual purpose:

- ✓ Ice-breaking Program (for new recruits)
- ✓ Teambuilding Workshops (entry to senior mid-level)
- ✓ Leadership Development Program (for mid-level and above)
- ✓ Strategic management (for senior mid-level and above)

Organization purpose:

- ✓ HRM Backbone/Manual Development
- ✓ Manpower Planning, Job Analysis
- ✓ Training & Development Support
- ✓ Recruitment and Selection/Head Hunting
- ✓ Crisis Management

## CDCS Marketing, Sales & Distribution Solution (c-MSD)

c-MSD solutions bring competitive edge over the competitors and help achieve business objectives of profit, growth and lasting competitiveness. CDCS conducts market research, devise winning strategies and design and implement a wide range of marketing, sales and distribution products.

### COMPANY OVERVIEW

c-MSD services include, but not limited to, the following:

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- ✓ Market Research (Competition, Customer, Retail Audits)
- ✓ Sales & Distribution Strategy & Structure
- ✓ Sales Force Capacity Building/Training
- ✓ Corporate Image Building/Public Relations
- ✓ Strategic Marketing Communication
- ✓ Instrument Design
- ✓ Marketing Strategy Formulation and Positioning
- ✓ Promotional Campaign Implementation

## CDCS Special Initiatives:

### CDCS SwasthyaSeba

Helps healthcare sector to -

- ✓ become more competitive and profitable
- ✓ run their organizations effectively and efficiently
- ✓ manage patient expectations better
- ✓ raise patient awareness about their responsibilities

CDCS-SwasthyaSeba solutions come in three forms -

1. Training workshops for healthcare professionals
2. Management consultancy for healthcare facilities
3. CDCS-SwasthyaSeba Quarterly

CDCS-SwasthyaSeba Training Workshops (c-SSTP) are -

- ✓ Managing Expectations- Patients & Providers

- ✓ Wining Patient Trust & Confidence
- ✓ Building & Sustaining a Successful Team
- ✓ Making Employee Excel in Performance
- ✓ Leading with Vision in Healthcare Management

## COMPANY OVERVIEW

CDCS-SwasthyaSeba Management Consulting Services (c-SSMC) are -

- ✓ Enhancing Profitability & Building Brand Image
- ✓ Employee Retention & HR Management
- ✓ Financial Control & Cost Reduction
- ✓ CDCS SME Support Services

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### CDCS Programs:

#### CDCS SME Support Services:

Working on, for and with SMEs is a core activity at CDCS. Over the last four years, nearly two dozen of projects involving SMEs have been completed at CDCS. CDCS continues to focus on SME need for, among other things, accounting services, marketing and sales advisory services, capacity building/training needs, investment planning and communication services.

CDCS SME Solutions include, but not limited to, the following:

- ✓ SME Accounting System Development
- ✓ SME Investment Decision Support
- ✓ SME Business Plan Development
- ✓ SME Marketing, Sales & Distribution Support
- ✓ SME Training & Technology Need Assessment
- ✓ SME Communication Support & Campaign
- ✓ SME Baseline Surveys
- ✓ SME Intervention Impact Assessment
- ✓ SME Organizational Capacity Building

## CDCS National Competitiveness Program (c-NCP):

The National Competitiveness Program (c-NCP) is somewhat an ambitious program aimed at assisting Bangladeshi enterprises to become and remain competitive for longer period.

To this end, CDCS envisages to develop research-driven solutions in order to build organizational capacity and individual competency. To pursue this, CDCS usually partners with others who promote market development, enterprise competitiveness, and livelihood of poorer and disadvantaged section of the society.

COMPANY OVERVIEW

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Currently, in collaboration with development sector partner Swisscontact-Katalyst and private sector partner such as Novartis, CDCS has been working on improving competitiveness through customer responsiveness in the private sector healthcare facilities, many of whom are SMEs. This has been carried forward under the brandname of CDCS-SwasthyaSeba. CDCS is also developing generic business management solutions for other SMEs and wishes to partner with others to design sector-specific interventions targeting specific SME sectors as well.

## CDCS Learning Material Development Program (c-LMD):

CDCS believes in the philosophy of “turning knowledge into practice and practice into knowledge”. To ensure wider and deeper benefit for the society from what CDCS does, a unique program has been initiated named, CDCS Learning Module Development (c-LMD). Through c-LMD program, CDCS is trying to develop contextualized training materials to help educational and training institutes to prepare tomorrow's professionals capable of solving problems that they are likely to face in organizational settings in Bangladesh. The materials are also highly useful for training professionals, executives and other employees of for-profit and not-for-profit organizations.

Current initiatives are:

- ✓ CDCS-SwasthyaSeba LMD Project
- ✓ CDCS Case Bank

## CDCS Next Generation Leadership Program (c-NexGenLP):

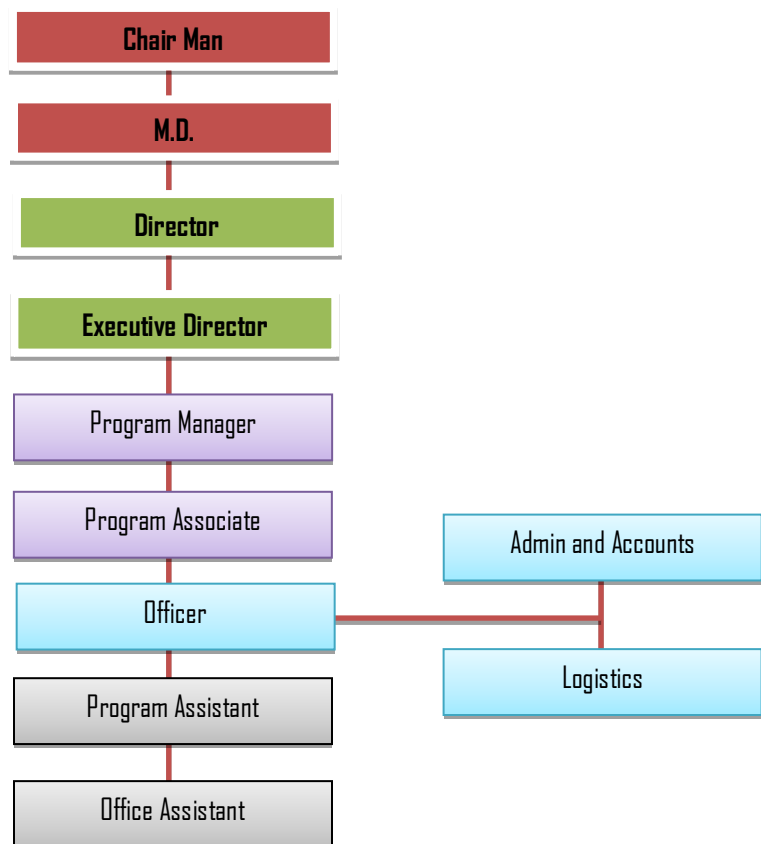
c-NexGenLP is an innovative CSR program that CDCS humbly pursues as per market principles. Under this program, CDCS provides on-the-job training and exposure to



## 2.5 Operation:

	Corporate Advising (Corp-Ad)	Market Development (M-Dev)	Development Management (D-Man)
Research & Strategy	✓	✓	✓
Capacity Building	✓	✓	✓
Project Implementation	✓	✓	✓

## 2.6 Operational network organogram:



## 2.7 CDCS Project list:

Some recent projects of CDCS are as follows-

### Research, Strategy & Capacity Building Projects

Client Name	Project Title	Sector	Activities
Swisscontact-KATALYST (2012)	Rural Marketing: Course Content (Case & Presentation Module) Development	Agriculture & Agribusiness	Secondary/Desk Review Interviews Case Development Presentation Module Development
Swisscontact-KATALYST (2012)	Establishment of Uniform Grading System for Commodity Trading Platform	Agriculture	Questioner survey In-depth Interview Expert panel Discussion Validation Program For of a Standardized Grading System for Selected Fruits and vegetables Printing and publication ToT
Kitahara Neurological Institute (Tokyo, Japan) (2012)	Bangladesh HealthCare Survey: An Overview of the Regulatory System, Disease & Injuries, Medical Tourism ,Supply Side Dynamics Price Survey	Health Care	In-depth Interview Review of Govt. Policy for Health regulatory system Analysis, Disease & Injuries, Medical Tourism ,Supply Side Dynamics Price Survey & Report Writing
Swisscontact-KATALYST (2011-2012)	Packaging Market Development, Phase 2 Vegetable, Fruit Fish & Flower Sector	Agriculture	Partnership Research Networking & Negotiation Partnership Building Partnership Activation ToT Series for Partners Scale-up Hand-holding Impact Assessment





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Chapter Three:

# *JOB DESCRIPTION*

JOB DESCRIPTION

### **3.1 Nature of the job:**

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During the twelve weeks working period as an Intern in CDCS, I had this unique opportunity of working as a program associate over there. Being an associate was not easy and smooth in terms of the job responsibility imposed on me. It was such a diversified and challenging job to perform. Job responsibility changes dramatically according to the project specification and necessity. Over these three months I had this life time experience of performing in event management, rural marketing case writing, supportive information collection, project planning, proposal writing, critical assessment, presentations, interviewing different personnel, formulating intervention scope and strategies so on and so forth. Diversity is the beauty that makes this job so challenging and enjoyable because I did not know what role I would be playing the following day. Not only diversity but also in term of mobility and flexibility this job was one of a kind. I had to do a lot of field inspection and survey due to various project necessities. The best part of this job was the continuous assistance and support to each and every possible way from CDCS to conduct job responsibilities with ease. I was imposed to lots of new theories, business jargons, cost benefit analysis, business models, and feasibility studies from various industries within a very short time. It would have been impossible to gain such huge knowledge from any other job. Apart from all of these the most important thing that this job disclosed was the exact picture of how business is done.

### **3.2 Responsibilities of the job:**

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As mentioned earlier my job was inconstant in term of responsibility. Day to day activities had limited specific tasks than variable tasks. Some of the core responsibilities that I had that time were-

#### To take part in daily morning meeting:

After entering to the CDCS office at 9 a.m. the first thing that we had to do was to go for a morning meeting. All other key members take active part in the meeting. Basically the objectives of this meeting are-

- ✓ To build up inter personal communication
- ✓ Aware the employees about what's going on
- ✓ Track down individual progress
- ✓ Discuss different leads and projects
- ✓ Assigning individual tasks and
- ✓ Take decision on sensitive issues

### Reporting day to day progress to project focal:

After assigning specific tasks I had to act accordingly and report continuous progress to my immediate superior the project focal. He used to give me necessary tips, additional support, source of information and most importantly the directions. At the end of the day all progress reports were transferred from the project focal to the director.

### Contacting and conducting meetings with clients and partners for business purpose:

Another responsibility on my shoulder was to contact our clients, partners or in some case 3<sup>rd</sup> party information providers for many of our project purpose. Contacts were done basically by two means telephone or e-mail. But in special cases we preferred to pay a visit in person. During my internship period I have made communication with AIUB and eastern university authorities and faculties, German and British embassy paid visit to Bangladesh DAM (Department of Agricultural Marketing), DOF (Department of Fisheries), Katalystetc.

### Seeking for projects to engage:

Each project CDCS deals with has an end period which is called the completion. So it is very important for CDCS to search new projects and engage itself to keep the business running. In order to do so i had to go through many newspaper articles, net surfing and plan project extension programs.RMC-2 (Rural Marketing Course) and PMD-2 (Packaging Marketing & distribution) ext. were such projects.

### Looking for intervention scope:

Not only projects but also different industries were analyzed to find possible intervention scope for CDCS. This very report itself is a follow-up of that. After finding any possible lead for intervention, CDCS quickly adjusts its offerings and strategies to the requirement any prepares proposal for formal approach.

### Assisting in proposal writing:

It was the most complex responsibility faced by me to CDCS. Proposal writing is a very time consuming difficult art which needs significant understanding on the subject and special care of language usage. It takes weeks to formulate a standard proposal and goes under repeated edits and modifications. Among the twelve parts of a proposal I worked in budgeting for the RMC-2(Rural Marketing Course)proposal.

### Conducting field inspection or survey:

Field inspection or survey deals with lot of raw data which needs further processing and clustering. It is comparatively a slow process to gather up information but is the best in terms of viability of information. I had this unique experience to go in the field and gather foreign biscuit manufacturing machineries related information by paying visits to different embassies at Dhaka. Some of these were European, British and German embassy

### Arranging seminars and workshops:

I have had to arrange and assist two workshops at two renowned private universities of Bangladesh named AIUB and Eastern University for an introductory conversation on rural marketing. And 7 more workshops (in 7 different district of Bangladesh) including 1 major seminar (at Dhaka) is still on the way to be promoted on the same subject.

### Case writing:

CDCS has recently developed 10 cases on various agricultural products related to rural marketing from which I have actively participated in a case writing named “**AGB TRADER DECIDES ON -vegetable Procurement possibilities.**” These cases are to be introduced to different Universities and to be added to rural marketing course to better enlighten and update the contents from Bangladeshi viewpoint.

## **3.3 Personal benefit from the job:**

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Benefit from the internship program was more than what was expected in a number of ways:

1. To me this job was a catalyst for fast and diversified knowledge gaining. Not only had I got to learn about several industries but also explored their operational secrets. Time limitation in each project made this learning pace much faster.
2. Career-wise, the internship program undoubtedly enriched my curriculum vitae (CV). Also, having gotten a chance to interact with most staff, it gave an insight on how to shape the career towards research job in the near future.

3. I got the chance to learn from the research experts and consultants. And also the unique lifetime opportunity to meet with many renowned individuals and hear from them who reshaped the industry of Bangladesh with their outstanding talent and effort. Some of these people are-

Prof. Dr. Rahim B. Talukdar, chairman CDCS knowledge institute.

Dr. Charles C. Villanueva (Dean, FBA)

Dr. Ehsanul Huda Chowdhury (Associate Dean, FBA)

Mr. Ruhul Quddus (Executive Director, RSF)

Mr. A.H.M. Sultanur Reza (Head of Broadband Internet, GP)

Md. Rasedul Hasan (COO, PCL.)

Mr. M. Mizanur Rahman (GM-HR, PRAN-RFL group Ltd)

Mr. Tauheed Hossain, Executive Director, Novartis (Bangladesh)



Industry university dialogue on Rural Marketing at Eastern University.

Industry university dialogue on Rural Marketing at AIUB.



4. This job created a platform to build up my networking with the industry which will surely assist me in the long run for my career persuasion.
5. My soft skills have improved radically and I am much more confident now to face any challenges before me and end up with good output.
6. The salary scale was also very attractive. To my knowledge CDCS pays the highest to the interns in comparison with all other companies. It boosts up employee motivation and brings the best out of them.

To conclude, the internship at CDCS was a rewarding and worthwhile experience which gave me so much more to describe.

### **3.4 Recommendation based on Critical observations:**

Measuring to the extent I have observed CDCS, I think as a growing Research and consultancy firm, it is doing appreciable quality work despite of having many resource constraints. Here are some recommendations for CDCS which will help it to reach its full potentiality and caliber.

1. At the very beginning CDCS should work intensely on its promotional activities. A number of steps such as organizing more seminars, workshops, building strategic partnership with more organizations from national level and Universities, being member of other knowledge sharing Organizations such as E-GyanKosh, constructing a more informative and user friendly web site, adopting SEO (Search Engine Optimization) for placing CDCS information on the top 10 results displayed by search engines etc.
2. CDCS should add IT related solutions its product line. Due to the radical digitalization of business and services, demand of IT related software and service has increased dramatically. A large pool of customer is still untreated and is badly in need of IT support. This could be itself a potential market and key to other potential markets for CDCS.

3. It would be a good idea if CDCS could incorporate more employees and divide specific tasks to specific individual. In this way employees could assist CDCS with specialized services and it would be beneficial for CDCS in two ways-
  - a. Reducing the time of completion of a specific task.
  - b. Improving and delivering quality service



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# *FINDINGS AND ANALYSIS*

FINDINGS AND ANALYSIS



## 4.1 Bangladesh private Commercial bank industry:

The health and efficiency of the financial sector are crucial to economic growth of a country because the pace of economic growth, a balanced capital market, an efficient flow of fund between savers and investors cannot be sustained without a sound financial sector. Financial sector of Bangladesh, like most low-income countries, is dominated by the banking enterprises. As a result, the performance of the banking sector has a direct correlation with the entire financial sector and economy of our country. In every country, the banking sector is the most important mechanism for performing a lot of tasks related to deposit mobilization, credit evaluation and monitoring, providing access to a payments system and to a clearinghouse for transactions. It is the system by which a country's most profitable and efficient projects are systematically and continuously funded, and thus it is the mechanism, which ensures that resources are directed to the most productive sources of the future growth. The system not only transfers funds from savers to investors, it must be able to select projects which will yield the highest returns, accumulate sufficient amount of capital to fund the range of investment projects across economic activities, account for price risks across assets, monitor performance, and enforce contracts.

The banking industry of Bangladesh has been a major contributor to the country's service sector with increased number of banks operating fuelled by both domestic and foreign investments. Under the active jurisdiction and control of the Bangladesh Bank, the central bank of Bangladesh, there have been four types of scheduled banks in Bangladesh. These include nationalized commercial banks (NCBs), government owned development financial institutions (DFIs), private commercial banks (PCBs) and foreign commercial banks (FCBs). As the Table below shows, out of a total of 47 banks, a majority (30) are the PCBs, with 59.34% of total industry assets and 60.93% of industry deposits. This indicates that PCBs are dominating the banking industry in recent years. The four SCBs operating comprised 28.06% of industry assets. The 9 FCBs and 4 DFIs have owned the remaining net 12.6% of industry assets. This table also shows that the SCBs possess the highest number of branches (3447) compared to that of the PCBs (2828) and the FCBs (72). However, the PCBs account for about 61% of the banking industry deposits compared to the others.

Bank Types	Number of Banks	Number of Branches	% of Branches	Total Assets (Crore Tk.)	% of Industry Assets	Deposits (Crore Tk.)	% of Deposits
SCBs	4	3,447	44.60%	135,929.28	28.06%	101,357.14	27.80%
DFIs	4	1,382	17.88%	29,091.57	6.01%	18,408.22	5.05%
PCBs	30	2,828	36.59%	287,416.75	59.34%	222,182.25	60.93%
FCBs	9	72	0.93%	31,942.40	6.59%	22,677.42	6.22%
<b>Total</b>	<b>47</b>	<b>7,729</b>	<b>100%</b>	<b>484,380.00</b>	<b>100%</b>	<b>364,625.03</b>	<b>100%</b>

Source: Bangladesh Bank Annual report 2010 - 2011

As the number of PCBs and FCBs as well as the number of their branches and scope of operations increased in the recent years, NCBs seem to have been struggling to cope with the intensified competition and quality of the services offered by the PCBs and the FCBs. As indicated in table, the PCBs comprise a majority of the market share, which has increased recently as more people preferred private banking services over those provided by the NCBs.

At present there are 30 private commercial banks in Bangladesh which are majorly owned by the private entities. PCBs can be categorized into two groups:

### Conventional PCBs:

23 conventional PCBs are now operating in the industry. They perform the banking functions in conventional fashion i.e. interest based operations.

### IslamiShariah based PCBs:

There are 7 IslamiShariah based PCBs in Bangladesh and they execute banking activities according to IslamiShariah based principles i.e. Profit-Loss Sharing (PLS) mode.

Here is the list of PCBs operating in Bangladesh -

United Commercial Bank Limited	The City Bank Limited	Bangladesh Commerce Bank Limited
Mutual Trust Bank Limited	NCC Bank Limited	First Security Islami Bank Limited
Eastern Bank Limited	Mercantile Bank Limited	The Premier Bank Limited
Dutch Bangla Bank Limited	Prime Bank Limited	Bank Asia Limited
Dhaka Bank Limited	Southeast Bank Limited	Trust Bank Limited
Islami Bank Bangladesh Ltd	Al-Arafah Islami Bank Limited	Shahjalal Islami Bank Limited
Uttara Bank Limited	Social Islami Bank Limited	Jamuna Bank Limited
Pubali Bank Limited	Standard Bank Limited	ICB Islamic Bank
IFIC Bank Limited	One Bank Limited	AB Bank
National Bank Limited	Exim Bank Limited	Jubilee Bank Limited

The central bank has approved six more private commercial banks (PCBs) recently, aiming to help strengthen the ongoing financial inclusion programs through bringing unbanked people under the banking network. The six approved PCBs are: Union Bank Limited, Modhumoti Bank Limited, the Farmers Bank Limited, Meghna Bank Limited, Midland Bank Limited and South Bangla Agriculture and Commerce Bank Limited.

## 4.2 3<sup>rd</sup> party outsourcing:

According to banking term, “third party” is broadly defined to include any entity that has entered into a business relationship with an insured depository institution. It is typically an outsourced option for financial institutions such as bank. Often, these third parties are deeply involved in the delivery of financial services to the consumer. The third party may be positioned, directly or indirectly, between the financial institution and its customers or otherwise have unfettered access to the institution’s customers. Consequently, the quality of that third party’s performance is critically important to the financial institution’s long term success. A third party can be a bank or a nonbank, organization or individual, affiliated or not affiliated, regulated or non-regulated, domestic or foreign.

The scope of the definition of third party is expansive by necessity. Within the banking industry, third-party relationships are pervasive. Financial institutions use third parties to

- Perform functions on their behalf;
- Facilitate customer access to the products and services by third-party providers; and
- Increase revenue by allowing third parties to conduct business on behalf of the financial institution

Community banks increasingly provide products and services through arrangements with third parties. Appropriately managed third-party relationships can enhance competitiveness, provide diversification, and ultimately strengthen the safety and soundness of insured institutions. Third-party arrangements can also help institutions attain key strategic objectives. But third-party arrangements also present risks. Failure to manage these risks can expose a financial institution to regulatory action, financial loss, litigation, and reputational damage, and may even impair the institution's ability to establish new or service existing customer relationships. Successful third-party relationships, therefore, start with financial institutions recognizing those risks and implementing an effective risk management strategy.

Today 3<sup>rd</sup> party outsourcing is increasingly used as a means of both reducing costs and achieving strategic aims. Its potential impact can be seen across banking activities, including information technology (e.g., applications development, programming, and coding), specific operations (e.g., some aspects of finance and accounting, back-office activities & processing, and administration), and contract functions (e.g., call centers). Industry reports and regulatory surveys of industry practice indicate that financial firms are entering into arrangements in which other related firms within a corporate group and third-party service providers conduct significant parts of the enterprise's regulated and unregulated activities.

Activities and functions within an organization are performed and delivered in diverse ways. A banking institution might split such functions as product developing, marketing, back-office and distribution within the regulated entity. Where a regulated entity keeps such arrangements inhouse, but operates some activities from various locations, this would not be classified as outsourcing. The entity would therefore be expected to provide for any risks posed by this in its regular risk management framework.

Increasingly more complex arrangements are developing whereby related entities perform some activities, while unrelated service providers perform others. In each case the service provider may or may not be a regulated entity. Responsibilities tend to change depending upon the entity state.

### 4.2.1 Risk and solution:

Outsourcing has been identified in various industry and regulatory reports as raising issues related to risk transfer and management, frequently on a cross-border basis, and industry and regulators acknowledge that this increased reliance on the outsourcing of activities may impact on the ability of regulated entities to manage their risks and monitor their compliance with regulatory requirements. Additionally, there is concern among regulators as to how outsourcing potentially could impede the ability of regulated entities to demonstrate to regulators (e.g., through examinations) that they are taking appropriate steps to manage their risks and comply with applicable regulations.

Among the specific concerns raised by outsourcing activities is the potential for over-reliance on outsourced activities that are critical to the ongoing viability of a regulated entity as well as its obligations to customers.

Regulated entities can mitigate these risks by taking steps to:

- ✓ Draw up comprehensive and clear outsourcing policies
- ✓ Establish effective risk management programs
- ✓ Require contingency planning by the outsourcing firm
- ✓ Negotiate appropriate outsourcing contracts
- ✓ Analyze the financial and infrastructure resources of the service provider.

Regulators can also mitigate concerns by ensuring that outsourcing is adequately considered in their assessments of individual firms whilst taking account of concentration risks in third party providers when considering systemic risk issues.

Of particular interest to regulators is the preservation at the regulated entity of strong corporate governance. In this regard outsourcing activities that may impede an outsourcing firm's management from fulfilling its regulatory responsibilities are of concern to regulators.

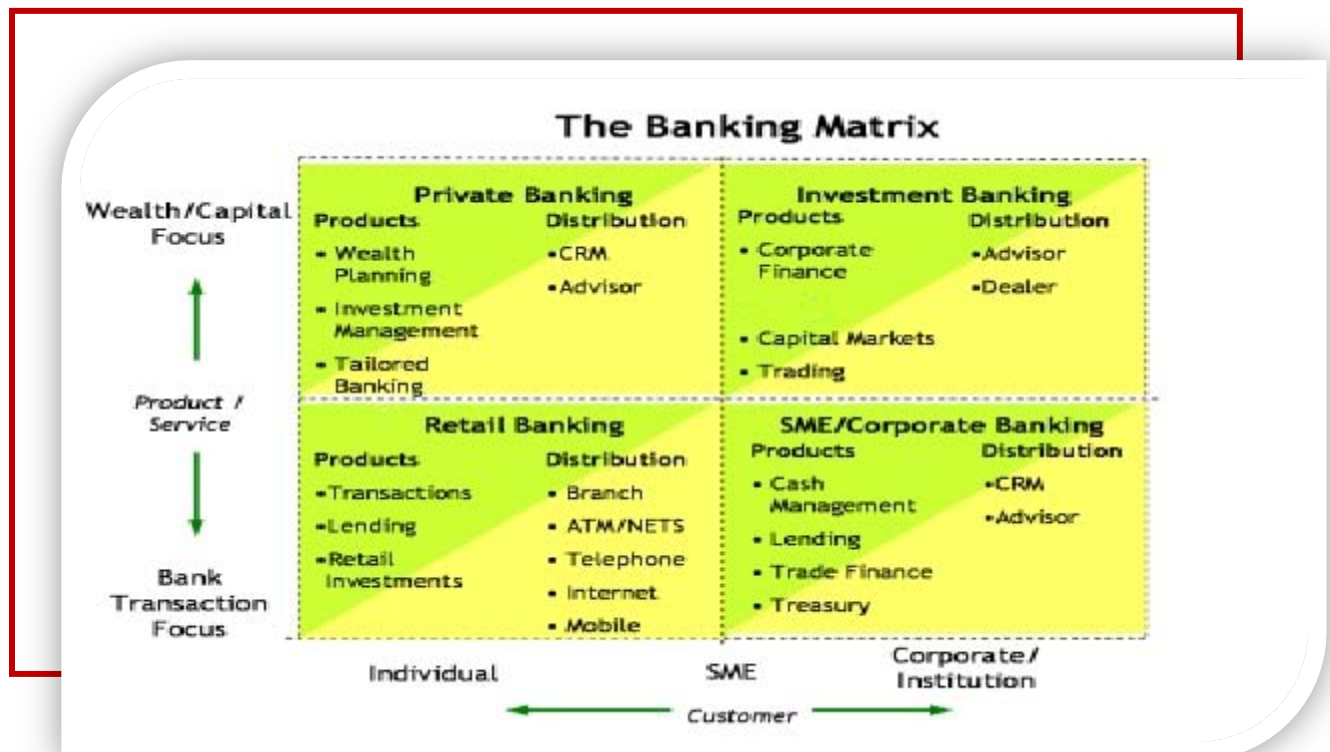
The rapid rate of IT innovation, along with an increasing reliance on external service providers have the potential of leading to systemic problems unless appropriately constrained by a combination of market and regulatory influences.

### 4.3 Diverse research and consultancy services concerning banks:

PCBs of Bangladesh more or less operate in an identical manner. Only a few numbers of variations are there to differentiate one from another. Basically PCBs offer 4 major types of services

- ✓ Private banking
- ✓ Investment banking
- ✓ Retail banking
- ✓ SME banking

Putting together all these services to a general frame, the banking matrix would be something like this-



Now in order to perform all these types of services different sort of research and consultancy concern is needed, at different level and category. Now let's have a look at the sectors of PCBs where research and consultancy is crucial and badly required.

#### 4.3.1 Operational:

##### Profit Improvement/Best Practices:

In order to Identify, quantify and assist with implementing potential opportunities for income enhancement, expense reduction and procedural improvements that will increase bottom-line profitability.

##### Strategic Planning:

Performing analysis on bank's current position, the factors that may affect it in the future, the way the bank wants to position itself in the future, and the steps that are needed to be taken to accomplish the specific objectives that are established.

##### Prevue Assessment:

Increase productivity, customer service, and employee morale by using the Prevue Assessment as one of the tools to match people with jobs by measuring work-related characteristics.

##### Market Assessments:

Evaluating the banking market for a product or service including the analysis of the market trends, assessing the competition and conducting market studies.

##### Marketing Strategy Development:

Developing market strategy through describing bank's unique selling proposition (USP). , defining target market, finding out benefits of products or services, product or service positioning and defining marketing methods.

##### Product Management:

Assisting banks with improved planning, forecasting, or marketing effort of products at all stages of the product lifecycle.

### Sales positioning:

Identification of ways to position banking products or services to meet the explicit needs the customers.

### Set up Planning:

Assisting banks with information, feasibility study and decision making statement regarding branch set up, capacity building and architectural optimization.

### Strategy Validation:

Checking the worthiness, feasibility, workability, achievability and sustainability of strategies in terms of formulation and implementation.

### SME service support:

Assisting a particular bank with developing, information disseminating, promoting and even making its SME service competitive by analyzing and comparing with other bank's SME service information and specification.

### 4.3.2 Promotional:

Assisting banks to increase sales, attract new customers, encourage customer loyalty, encourage trial, create awareness, inform, remind potential customers, reassure new customers, change attitudes, create an image, position product and services, encourage customer towards brand switching, support distribution channel through advertising, public relations & sponsorship, personal selling, direct marketing and sales promotion in two ways-

#### Above the line promotion:

Assisting communication in the independent media e.g. advertising on TV or in the newspapers. Though it can be targeted, it could be accessed by anyone outside the target audience.

#### Below the line promotion:

Promotional activities where the banks have direct control e.g. direct mailing and personal banking. It is aimed directly at the target audience.



### 4.3.3 New product introduction and development:

Analyzing and determining timing, location, area, distribution and promotional significance for product introduction and launch development. The major concerns to this area are-

- Developing the appropriate product or service
  - tailoring and developing product or service for market requirements
  - Upgradation of product or service involving technology or competition
- Adequate planning and control
  - cover cost overruns
  - Prevent over designed or incorrectly designed product or service
  - Fixing standard price of product or service
- Schedule
  - Covering the window of opportunity
- Performance issues
  - Specific development of product or service meeting requirements or expectations.

### 4.3.4 Internal:

#### Human Resource Management:

In order to develop an internal structure with job descriptions, career paths, responsibility grades, salary ranges, and performance evaluation training. This structure will improve customer service, marketing and reporting relationships to enhance the bank's ability to attain its strategic objectives.

#### Customer Opinion Surveys:

Determining whether customers' needs and expectations are fulfilled or not. In today's competitive market, it is crucial to determine, what customers think about the products, services, staff and tailor offerings according to that.

### Budgeting:

Developing a process, involving all responsibility centers, to help establish financial objectives, formulate plans to obtain objectives, measure performance and evaluate results of banks.

### Process Reengineering:

Recommend changes which will align bank's structure, people, and processes with future growth and profitability objectives. Organization structure and procedure recommendations will focus on the appropriate mixture of productivity, profitability, quality control and customer service.

### Staffing/Productivity Analysis:

Identification and quantification of operational method and procedural improvements; promoting process standardization and automation; identify and assess the impact of economies achievable through consolidation or realignment of responsibilities; and recommend the organization structure and staffing refinements to accommodate identified opportunities.

### Merger & Consolidation Analysis:

Determination of the appropriate internal organization structure, the location for various deposit and lending activities, and the required staffing level at all locations; identify potential improvements in procedures and workflow; and identify data processing and other automation opportunities.

### Policy & Procedure Reviews:

Identifying key opportunities to help strengthen internal controls, enhance procedures, improve policies, and increase quality in the deposit, loan, investment, security, compliance, and disaster planning areas.

### Training Services:

Addressing and developing effective training program for new employees in order to fit them in the organization and capacity build up. Training services offer increased return on the most valuable asset- the employees.

### Effective Telephone Communication:

Developing the skills necessary to create a professional impression and better meet customer's needs in a time efficient manner.

### Teller Referral Training:

Assisting tellers with developing the skills necessary to effectively make referrals for bank services. The core objective is fortellers to learn the importance of making referrals in today's banking environment.

### Advanced Selling Skills:

Developmentof skills necessary to retain and increase customer relationships.

### Supervisory Skills:

Developing skills of effective communication, delegation, motivation, coaching/counseling, conducting performance evaluations, listening, and problem solving to supervisors of banks .

### Leadership Profile:

Discovering how individuals want to lead, the type of leader that employees want to follow and the leadership needed by thefinancial organization to meet its challenges.

### Personal Behavior Style Profile:

Discovering employee's behavioral strengths and how to increase personal effectiveness, improve communication, strengthen team effort and improve customer relations.

### Affirmative Action Plans:

Development of customized affirmative action plans for banks including the schedules to track the required information on applicants, hiring, transfers, promotions and terminations.

### Cost Benefit Analysis Development

Calculating and comparing benefits and costs of a project to determine if it is a sound investment/decision (justification/feasibility) or to provide a basis for comparing projects.

### Employee Opinion Surveys:

With rapid changes in today's business environment, gaining an insight into employee opinions is more important than ever before. Employee opinions influence work behaviors, performance, and quality.

### Competitive Intelligence:

Defining, gathering, analyzing, and distributing intelligence about products, customers, competitors and any aspect of the environment needed to support executives and managers in making strategic decisions for a bank and then utilizing this in business decision making.

### Customer satisfaction measurement:

Measuring and managing customers through custom made statistical analysis determining the state of mind that customers have about banks, when their expectations have been met or exceeded over the lifetime of the product or service. Achievement of customer satisfaction leads to company loyalty and product repurchase.

### Gap analysis:

Identification of gaps between the optimized allocation and integration of the inputs (resources), and the current allocation level by determining, documenting, and approving the variance between business requirements and current capabilities.

### Banking risk management:

Effective determination of risk factors, significance level indication, threat level warning and at the end finding ways to mitigate risk factors to prevail sustainability are the core concern for banking risk management analysis in various banking sectors.

### Employee performance evaluation:

Performing detailed survey on behalf of banks on employees to accomplish both personal development and organizational goals. It determines employee efficiency, effort towards job responsibility and understanding of responsibilities which ultimately strengthens organizational human asset.

## IT supports:

Providing custom made IT support specially to banks for areas such as security technologies, IT strategy, technology planning and up gradation, networking, electronic payment systems, Information system audit, IT Infrastructure Audit, Information security policy, data warehousing, data mining so on and so forth.

## 4.3.5 CSR:

Assisting banks with its CSR activities by planning where to invest, how to invest, how much to invest and determining of the level of exposure that banks will receive from those CSR activities. In the competitive business world of banking CSR activities are crucial to set individual bank apart from the other. So CSR management is vital and needs expert advice and severe monitoring.

## 4.4 Sourcing:

Outsourcing is defined as a regulated entity's use of a third party (either an affiliated entity within a corporate group or an entity that is external to the corporate group) to perform activities on a continuing basis that would normally be undertaken by the regulated entity, now or in the future.

Outsourcing can be the initial transfer of an activity (or a part of that activity) from a regulated entity to a third party or the further transfer of an activity from one third party service provider to another, sometimes referred to as "subcontracting." In some jurisdictions, the initial outsourcing is also referred to as subcontracting.

Banking firms should consider several factors as they apply these principles to activities that fall under the outsourcing definition. First, these principles should be applied according to the degree of materiality of the outsourced activity to the firm's business. Even where the activity is not material, the outsourcing entity should consider the appropriateness of applying the principles. Second, firms should consider any affiliation or other relationship between the outsourcing entity and the service provider. While it is necessary to apply the outsourcing Principles to affiliated entities, it may be appropriate to adopt them with some modification to account for the potential for differing degrees of risk with respect to intra-group outsourcing. Third, the firm may consider whether the service provider is a regulated entity subject to independent supervision.

### 4.4.1 Outsourcing from national companies:

There are many small and big research and consulting organization providing dedicated services to banks and others. Some of these are public but majority are private. Here is a brief description of such companies and service offerings which are assisting the private commercial bank industry of Bangladesh with research and consultancy support

#### **Bangladesh Association of Banks (BAB):**

Bangladesh Association of Banks (BAB) is an advisory service organization for the private commercial banks. It has now emerged as an effective forum for exchanging views on problems being faced by the banking sector of Bangladesh and for formulating common policy guidelines in addressing such problems.

Established under Companies Act-1913, BAB started its activities in 1993 with 9(nine) commercial banks which increased to 29 (twenty-nine) at the end of December 2007.

The Management of BAB is vested in its Executive Committee. The Chairman and Vice Chairmen of the Association are elected by the Members of the Executive Committee. The Executive

Committee consists of nominees of the member banks, each bank nominating one member. The term of such Executive Committee is for two years.

### Main Objectives of BAB:

- To further the interest of banks in Bangladesh.
- To acts an advisory body to its member banks.
- To evolve a common thinking through exchange of views among the members towards solution of the problems faced by the banking sector.
- To maintain close contact with Bangladesh Bank, Ministries and other appropriate authorities in order to tide over the difficulties faced by the banking sector.
- To provide guidance to the member banks for conduct of banking business.
- To exchange views with the representatives of international financial agencies and eminent economists on matters relating to money and banking.
- To collect, classify and disseminate statistical and other information relating to banking.
- To organize seminars/workshop/training programs for removing knowledge gap among the different level of officers of member banks.
- To publish periodical newsletters, bulletins and other publications on matters relating to banking
- To become member of any to her Association/Body, which is likely to promote the objects of BAB
- To provide various common services to its members.
- To project the cause of banking sector in general.

### Research and training:

In order to provide support to Banks towards productivity enhancement through research, information exchange, and education, Bangladesh Association of Banks (BAB) has felt the necessity of establishment of a Research and Training Centre. With this end in view , BAB has formed a Sub Committee on Training headed by its Vice Chairman, Mr. Muhammad A (Rume) Ali, former Deputy Governor, Bangladesh Bank and present Chairman of BRAC Bank Limited.

The Committee has made a 'Memorandum Of Understanding' and a 'Cooperation Agreement' with the South Asia Enterprise Development Facility (SEDF) of the International Finance Corporation (IFC) for setting up BAB's Research and Training Centre.

In collaboration with IFC-SEDF, the Research and Training Centre (RTC) has conducted two Workshops on "Pitfalls to Avoid in SME Banking" on July 13-14, and July 15-16, 2008. The workshops on were well participated by the by the Chairman, CEOs and Directors of the member Banks. A few more Workshops for Directors and Senior Executives of bank are scheduled to be held during October to December, 2008.

BAB expects that RTC will be a vital educational arm of the local banking industry in upgrading the Bangladeshi bankers' knowledge and expertise. And thus, RTC, through continuous education and research, will be able to prepare ground work for smooth transition of local banking industry toward critical phases and dramatic changes by equipping Bangladeshi banks with tools and skills required to cope with global changes and challenges.

## Members:

Ab Bank Limited, Al-Arafah Islami Bank Limited, Bank Asia Limited, Brac Bank Limited, Dhaka Bank Limited, Dutch-Bangla Bank Limited, Eastern Bank Limited, Exim Bank Limited, First Security Islami Bank Limited, Ific Bank Limited, Islami Bank Bangladesh Limited, Jamuna Bank Limited, Mutual Trust Bank Limited, Mercantile Bank Limited, National Bank Limited, Ncc Bank Limited, One Bank Limited, Pubali Bank Limited, Prime Bank Limited, Premier Bank Limited, Southeast Bank Limited, Standard Bank Limited, Social Investment Bank Limited, Shahjalal Islami Bank Limited, The City Bank Limited, Icb Islamic Bank Limited, Trust Bank Limited, United Commercial Bank Limited, Uttara Bank Limited.

## Bangladesh Institute of Bank Management

The **Bangladesh Institute of Bank Management (BIBM)** is the premier institute in Bangladesh for acquiring and exercising banking knowledge. It is an educational, training and research institution in bank management supported and supervised by the Bangladesh Bank (central bank of Bangladesh) and almost all the leading banks and a few financial institutions of Bangladesh. Established as a national level training institute in the banking sector in 1974 under the Societies Act, 1860. BIBM caters primarily to the requirements of training of the mid and senior-level officers of banks and financial institutions. In collaboration with the National University, BIBM provides quality education leading to a Masters in Bank Management (MBM) degree for fresher and professionals; a demanding discipline in the banking-job market in Bangladesh. Besides, the institute conducts workshops, seminars, round table discussions and undertakes research on banking and allied fields regularly and provides consultancy services to banks and other organizations on request.

Bangladesh Institute of Bank Management (BIBM) registered under the Societies Act, 1860 was established in 1974 with an initial primary focus of providing training to the officials of banks and financial institutions of Bangladesh in order to strengthen and update their skill. Since then with more and more banks settings up their own training institutes to handle a significant part of their own objective based training needs, particularly those of their junior level officials,



BIBM has also modified its training activities and broadened its operation to cover other areas of activities such as providing education in the form of degree- Masters in Bank Management (MBM) and Evening MBM (EMBM), carrying out research in banking & finance, holding seminars and roundtable discussions or aiding the banks in their recruitment.

Even with these activities, which are somewhat complementary with one another, training still occupies the center-stage of BIBM operation. But BIBM now imparts training to only mid-level and senior officials of banks and financial institutions and generally in areas where all its members have common interest.

Beside training and education, BIBM's current activities include undertaking research, organizing seminars and publishing reports on the issues relevant to the banking and financial sector. BIBM publishes a journal and a bulletin on a regular basis. The institute also provides support in recruiting bank officials. Since inception till December 2010 BIBM trained a total of 63,269 officers of banks and financial institutions. Further, 523 MBM graduates passed out from BIBM during the period 1996–2010 and almost all of them have joined the banking profession. Besides, 55 Evening MBM graduates passed out from BIBM since inception in 2006.

### Consultancy:

BIBM often conducts recruitment tests of different level bank officers on request of banks. In addition, faculty members of the institute undertake a number of research consultancy projects every year in the area of banking, finance and allied field.

Recent consultancy research projects were:

- How to Approach Banks for Short Term Credit
- Bank Survey on SMEs in Bangladesh
- Domestic Factoring in Bangladesh

### Research:

Research is one of the important wings of BIBM. In response to new challenges in banking and finance, the institute undertakes a number of research projects in the selected areas in order to develop a body of banking knowledge, aid banking policy formulation and improve the overall effectiveness of banking activities.

Research projects undertaken in 2010 were:

1. Efficiency and Effectiveness of Linkage Credit Programs in Bangladesh
2. Information System Security in Banks: Bangladesh Perspective
3. Online Banking in Bangladesh
4. An Assessment of the Operation of Documentary Collection in Bangladesh
5. A Comprehensive Study on the Competitiveness of the Banking Industry in Bangladesh
6. A Survey on the Potentials of Commodity Market Development in Bangladesh

#### 4.4.2 Sourcing from private companies:

##### **AAA Consultants & Financial Advisers Ltd.:**

**AAA Consultants & Financial Advisers Ltd.** is one of the reputed Merchant Bank/Issue Managers in Bangladesh. Since 1991 the organization started functioning and working in the field of capital market in the country as market intermediary.

**AAA** is an entrepreneurial organization that prides itself on its speed of thought and action. Its ability to make decision quickly and efficiently and to generate value as an agent executor sets it apart from all other merchant banks in Bangladesh. The organization's strategy is to focus on Bangladesh and to develop investment relationship for industrialization in the country.

As a prime investment as well as merchant bank, **AAA** offers corporate investment and financial advice, underwriting capabilities and public issue management in the capital market of Bangladesh.

During this period, **AAA** has been successful in positioning itself as a progressive and dynamic merchant banker in the country. As a result the organization has been widely acclaimed by the large, medium and small industrial enterprises, business community and traders and has been able to create image and earned significant reputation in the country's capital market sector as reliable merchant banker and issue manager.

The organization is headed by a highly experienced team who is directly and exclusively associated in the field since 1980. The Key executors of **AAA** are comprised of the efficient personnel, in terms of education and training in different aspects of finance, investment, merchant banking and management.

**AAA** has also an advisory team who are comprised of highly skilled and professional personnel in Bangladesh. The organization has enriched its professionalism with their technical and financial advisory support in day to day operation as well as in forecasting and building future prospects.

### DEVELOPMENT COMMITMENT:

Bangladesh is a growing economy with substantial investment requirements from private and public enterprises especially in, but not limited to, the infrastructure, resorts, telecommunication and energy sectors. **AAA** was established in Dhaka to participate in this development by helping to mobilize capital from domestic as well as international sources. Within a very short span of time, the organization developed excellent working relationship with most of the financial institutions and corporations in Bangladesh.

Bangladesh is anticipating higher growth through the continuation of reform process, deregulation, privatization and optimum use of internal and external resources. **AAA** is at the forefront of providing solutions to some of the continuous funding requirements to support this growth.

In recognition to its excellent working efficiency and development performance, the organization has been recognized by the Securities and Exchange Commission, Ministry of Finance and Government of Bangladesh as one of the efficient and expert Merchant Banker in Bangladesh and issued registration certificate in the year 1998. Hence, **AAA** is one of the recognized and enlisted Merchant Banker/Issue Manager.

## CORPORATE FINANCE:

Corporate finance is one of the core activities in merchant banking. In this process corporate finance department of **AAA** assists clients in developing projects, dealing with regulatory authorities, performing mergers and acquisition and joint ventures, capital structuring, documenting and implementing projects. The key to success of this business line is the harnessing of AAA's strength in the market and fund raising capabilities.

**AAA** enhances corporate finance services in the following areas.

- a) Financial and corporate advisory.
- b) Management advisory.
- c) Underwriting.
- d) Private placement investment.
- e) Corporate restructuring.
- f) Management of public issues.
- g) Management of right issues.
- h) Private capital rising. i. Equity ii. Debt iii. Hybrid
- i) Mergers, acquisitions and joint ventures.
- j) Intermediary arrangements of project financing.
- k) Privatization advisory.

## PUBLIC ISSUE:

Since 1991 **AAA** has been performing very successfully management of public issues, underwriting and corporate advisory services and specially in establishing industrial enterprises through rising of funds. So far it managed a remarkable number of issues and also mobilized funds more than Tk. 10,000.00 million. **AAA** performed underwriting of different public issues listed in the Dhaka and Chittagong Stock Exchange.

Moreover **AAA** 's success lies upon services for corporate advisory to different public and private companies which in turn promotes industrialization in the country.

## RESEARCH:

**AAA** has a research department to provide independent and objective investment advice in relation to primary and secondary securities to retail. The research analysts at **AAA** work diligently to produce in depth company specific fundamental research. In addition to fundamental analysis, research analyzes the technical aspect of stocks and the market to follow particular trend of price movements. Research also provides quality service to corporate clients by disseminating information.

Industry and sector analysis of **AAA's** research contains detailed information on growth potential of different sectors. Research also provides macroeconomic, political and market outlook of Bangladesh to institutional investors.

## The Services and Solutions International Ltd

Founded in 1995, is a multidisciplinary consulting, research, social communication, training and data management agency. SSIL provides high quality technical expertise and management services to assist policy makers and practitioners in achieving their goals of sustainable human development. SSIL's team members are specialized in providing technical assistance to the donors, NGOs, governmental agencies and private business companies. SSIL utilizes inputs from a team of 20 core professionals and over 2500 experts of around 120 different nationalities and widely diverse professional background. SSIL adheres to a management approach and working strategy that emphasize on fielding and participation of staff that combine adequate practical experiences, technical know-how and unwavering dedication to achieve the project goals in a quality conscious yet cost effective manner. SSIL consultants, equipped with sound theoretical knowledge backed by practical exposures and familiarity with currently adopted sector strategies and policies are equally sensitive about the country's regulatory and legal environment, cultural heritage and business practices. To help achieving the goals of sustainable human development and relevant sector reform agendas, SSIL recognizes the importance of sustainable development ensuring better equity, internal capacity building and

other lasting impacts. SSIL teams design their consultancy frameworks for every small or big assignment keeping these aspects and strategic considerations in the context.

## Key strengths:

**SSIL** utilizes inputs from a group of seasoned, sound, and dependable professionals. Its operations always reflect the following strengths:

- ✓ Strong practical experiences backed by intimate familiarity with evolving development concepts and theories.
- ✓ Updated sector knowledge including the incumbent policies, programs, institutions, and relevant stakeholders.
- ✓ In-depth understanding about the vital community based development program dynamics and program management factors of the government, private sectors, and NGOs.
- ✓ Strong background and skills in the areas like project management, policy analysis, sector analysis, program based study/ research, OR type study, survey, evaluation, and situation analysis techniques.
- ✓ Long-term practical experiences in the management, monitoring, and supervision of development programs operated by private sector TA agencies, NGOs, multilateral & bilateral donors, and governmental bodies.

## Functional Areas of Interest:

**Community Development:** NGOs and government initiated rural or urban community based development programs or any other poverty alleviation initiatives with focuses on the following:

- Micro credit;
- Micro-enterprise development;
- SME;
- Empowerment (of women and the poorest);
- Refugees and depressed group advancements;
- Environmental protection;
- Income generation;
- Gender equity promotion;
- Social-forestation;
- Human rights promotion;
- Sustainable human development; and
- Training and orientation.

**NGO Management:** Policy formulation and institutional development, organizational development assessment, sub-contractual monitoring, management development assessment, donor liaison, fund raising, evaluation, documentation, technical assistance in short and long-term planning, project development, project implementation, information management, etc. with especial focus on NGO Facilitation.

**Human Resources Management:** Human resource planning, employee relations, recruitment and selection, performance appraisal, wage and salary administration.

**Human Resources Development:** Design and implementation of HRD unit, development of instructional material, training needs assessment, training of the trainers (TOT), development of educational and training programs, international training and scholarship program, customized technical & management training in industry and government, etc. with especial focus on the following:

- Human Resource Development;
- Labour/Manpower Procurement;
- Management Training; and
- Human rights and Law.

**Project Design and Management:** Project identification and evaluation, project implementation and monitoring, project management, feasibility studies, impact studies, management contracts for new or existing projects, etc. with especial focus on the following:

- Project management/support;
- Monitoring and Evaluation of projects; and
- Economic and Financial Analysis of Projects for sustainability.

**Institutional Development and Training:** Developing institutional capability to promote and undertake development planning and implementation of development programs, personnel management, management development assessment, organizational efficiency and effectiveness analysis, development of performance indicators for project monitoring, program impact evaluation, etc. with especial focus on the following:

- Social Sector Development;
- Public Sector Development;
- Agriculture/rural development;
- Urban Development and Planning;
- Industrialization;
- Information Technology;
- New and Renewable Energy Technologies;
- Power generation;
- Systems Design/Development;
- Telecommunications; and
- Transportation system.

All of these components can also be entailed and introduced through some packages of training activities as follows:

- Training Programmes;
- Development of Training Materials;
- Skills Training;
- Training Needs Analysis; and
- Training of Trainers.

### The strategic approach of SSIL to its partnerships:

On the basis of mutually beneficial understanding, SSIL shapes up every individual partnership. However, the general strategic approach could be portrayed as follows:

- ✓ Assuming the responsibilities of identifying new areas of operation/intervention or interest.
- ✓ Fully or partially sharing the responsibilities of implementing, monitoring, and evaluating the ongoing activities.
- ✓ Providing strategically sound, financially beneficial, cost-effective, culturally sensitive, and system-compatible consultation services.
- ✓ Negotiating new deals or outstanding issues with the relevant agencies including NGOs, donors, and government organizations and, if necessary, with local and overseas professionals.
- ✓ Mobilizing professional inputs and other support-services including human resources to ensure efficient and cost-effective execution of ongoing and planned activities.
- ✓ Negotiating beneficial partnerships, collaborations, new initiatives with professionals/individuals, current partners, donor agencies, business houses, government, and/or non-government organizations
- ✓ Placing well-suited individuals and building teams to assume any challenging and high profile role, which will call for extensive experiences in the areas like management, identifying public welfare oriented innovative ideas and innovative persons, and maximizing programmatic out-puts or profit.
- ✓ Using professional experiences, energetic strategy, self-starting habit, entrepreneurial outlooks, and shrewd negotiation skills both to explore and consolidate new opportunities for the partner organizations in the fashion of maximizing out-puts of ongoing activities, enhancing the possibility of more beneficial future involvement, and expanding partnership with other organizations.
- ✓ SSIL appreciates contractual arrangement of various types which mostly fall under the following broad categories:



- Consultation, both sub- contractual or partnership type;
- Long-term or short-term engagement for project implementation;
- Purchase order type job contract;
- Support-service type collaboration; and
- Engagement as local agent in Bangladesh.

## SRG Bangladesh Limited (SRGB)

### Company Description:

Established in 1987, SRG Bangladesh Limited (SRGB) is the leading full service multi-sector research and consulting firm of Bangladesh. SRGB is expert in market research, social and development research, opinion poll, Mystery Shopping, etc. SRGB is also the market leader in social and development research and is the only research firm in Bangladesh undertaking countrywide opinion poll on a quarterly basis for many years. SRGB country coverage includes Bangladesh, India, Pakistan, Afghanistan, Nepal, Bhutan, Sri Lanka, Maldives, Myanmar etc.

### Introducing SRGB

The Survey Research Group of Bangladesh [SRGB] was initiated in October 1987 as a Management and Industrial Consulting house. Its professional integrity and service excellence rapidly gained a lasting reputation for delivering result-oriented consultancy services. Subsequently, activities were diversified to provide development consultancy, continuing professional development programs, data processing & analysis and event management services.

Since the early 90s, SRGB ventured into providing Qualitative and Quantitative Research Services. Since then SRGB has successfully conducted hundreds of studies ranging from broad based sectorial studies to micro level case studies for domestic and international clients. SRGB's studies are carried out under the leadership of highly competent and experienced team members who are well acknowledged experts in their respective fields, appropriately drawn from SRGB's panel with their consent and total commitment.

Logistically, SRGB is more than well equipped with all necessary and state of the art office facilities including computers, printers, photocopier, scanner, continuous power generator, etc. A team of highly experienced staff remains dedicated to carry out survey research activities. Moreover, SRGB maintains a countrywide panel of more than 800 male and female Field Investigators, who are recruited locally resulting in substantial cost efficiency. Moreover, local investigators ensure operational efficiency and accuracy in collecting relevant information.

In terms of organizational philosophy, to remain updated with the rapid changes in the global survey research scenario and to benefit from the hard-earned experience of developed economies, SRGB remains in constant touch with a number of overseas firms engaged in research and consulting. These close associations have proved mutually rewarding and SRGB maintain an open-end policy in acquiring further overseas strategic alliances. Moreover, SRGB's consultants are well practiced in looking objectively at the challenges that a business or an intervention faces and developing appropriate, workable and cost effective solutions. SRGB's role as a consultancy house is to provide expert, independent, practical and pragmatic decisions. With the truest partnership spirit, SRGB works "alongside" with the clients instead of working "for" them. SRGB's approach is based on hard-earned experience, rather than on textbook solutions. The hard-core professionalism, undaunted integrity and uncompromising excellence of service of SRGB have duly earned high level of customer satisfaction and reliability.

The total range of services from SRGB is delivered through three distinct operating divisions:

- ✓ Centre for Research & Management Consulting
- ✓ Centre for Continuing Professional Development
- ✓ Centre for Data Processing & Analysis

All three centres have both intellectual and logistical resource-base that is unmatched in the country. Each of the centres is highly professional, unparalleled in functional efficiency and strategically organized to provide ample scope for future expandability and relentless enhancement of service quality.

The Centre for Research & Management Consulting concentrates on providing consolidated business management and development research solutions, while the Centre for Continuing Professional Development offers wide range of skill development programs for practicing and prospective business professionals to enhance their experience and functional capability. Finally, the Centre for Data Processing & Analysis offer a spectrum of digitization services, which covers almost every document conversion process including data, text, PDF, illustrator and XML/SGML conversion services.

## Service Flayers-

- Social & Environmental Research
- Business Communication Service
- Automotive Research
- Agricultural Research
- Business to Business Research
- HR Management Service
- Media Research
- Mystery Shopping
- Qualitative Research

- Quantitative Research
- Retail Study
- Healthcare Research

## SIRIUS MARKETING AND SOCIAL RESEARCH

Sirius is a full service research organization and offers the entire spectrum of consumer and media research, social research, syndicated Media and Panel research services and business-to-business research conforming to international standards. The company is an associate of IMRB (“**Indian Market Research Bureau**”) International and has full access to IMRB's expertise. Today, Sirius is one of the leading research agencies and the clientele includes multinationals based in Bangladesh, bilateral agencies and international companies. The company has conducted large scale national level studies (all Bangladesh) and has field offices in the 6 Divisional headquarters of Bangladesh. The company pioneered syndicated media research in the country that includes TV audience measurement, National Media Study (covering all media), TV Ad tracking, and has in place a national level household consumer panel since 2005.

### Mission:

- To add value to clients - real value.
- To develop a learning culture that fosters innovation
- To develop a sustainable working environment that is good and fair to us and our clients.

### Global tie ups:



## Researching:

- Corporate Image Study Corporate and Employee Research.
- Business to Business research.
- Opinion Poll.
- Social Research.
- Pharmaceutical Research.
- Concept Test.
- Product / Blend Test.
- Pack test.
- Pricing Research.
- Usage & Attitude studies.
- Consumer Satisfaction Study.
- Consumer Segmentation Study.
- Consumer panel.
- STM (Simulated Test Marketing).
- Market Size Estimation Study.
- Mystery Shopper Insights.
- Brand launch monitoring study.
- Brand Tracking Study.
- Brand Equity Study.
- Distributor & Retailer satisfaction Study.
- Ad Evaluation Study.
- Ad pre-test (Link, Story board test).

## THE OFFERING:

- Researching..
- Market Segmentation..
- Brand Health and Category Usage and Attitude Studies..
- Brand Equity Tracking..
- Consumer Panel..
- Customer Satisfaction..
- Consumer Product Test..
- Simulated Test Marketing..
- Corporate Image..
- Employer Branding..
- Media Research..

## BANKING CLIENTS:

Standard Chartered  
HSBC  
Citibank

## ORG-QUEST RESEARCH LTD

A research & consulting firm with strong survey research and analytical skills that brings to bear a blend of insights and Pan-Asian experience of a highly competent team of professionals. We have been providing research services to our valued clients in and outside the country since 1994.

### Mission

To continuously innovate and leverage technology to bring cost effective solutions to clients; to acquire, retain and build long term relationship with key stakeholders.

### Vision:

To be a partner to our valuable clients by providing them with insights to reduce risks in critical decision processes.

## Banking clients:

Asian Development Bank (ADB).

BRAC Bank.

Citibank, N.A.

Standard Chartered Bank

The World Bank

## AIMS(Asset & Investment Management Services of Bangladesh Limited):

A pioneering initiative was undertaken by some enthusiastic local and expatriate Bangladeshis to organize and float the first Mutual Fund in independent Bangladesh under private initiative.

A company for this purpose was registered as Asset & Investment Management Services of Bangladesh Limited (popularly known as AIMS of Bangladesh) in December 1998, which emerged as the first purpose - built private asset management company of the country. The company was formally inaugurated on August 29, 1999 by the Finance Minister and remained as the only one of its kind for the next decade in Bangladesh.

AIMS's maiden venture, AIMS First Guaranteed Mutual Fund, a closed end balanced fund, obtained approval of the SEC and was floated in March 2000. The public float was oversubscribed by eight times. The Fund was listed at the stock exchanges in May 2000 creating a landmark in the history of the capital market in Bangladesh.

It was the first step of a long journey and there was no looking back. In a short time AIMS positioned itself at home and abroad as a proactive research oriented and knowledge based financial advisory and services manager as well as solution provider, specializing in diagnostic analysis, product design, development and launch, earning confidence all along the way.

AIMS's capacity and capabilities are further manifested on being appointed as the Fund Manager of the internationally acclaimed Grameen Bank for the first mutual fund sponsored by it as well as advising BRAC, the largest NGO in the world, on feasibility of the securitization of their micro-credit receivables in a pioneering attempt.

### Capabilities:

- **AIMS** is experienced in designing, establishing and managing Trust Funds, including Venture Capital and Mutual Funds, and also capable of constructing and managing portfolios of diverse nature and characteristics.
- **AIMS** is experienced in conceiving, developing, structuring, launching and marketing appropriate financial instruments for raising and managing capital, suiting specific needs.
- **AIMS** is also experienced in devising alternative non-traditional corporate finance instruments like asset and mortgage backed securitization.
- **AIMS** is experienced in corporate and financial advisory services, including debt and equity valuation, credit analysis, feasibility studies and conducting due diligence exercise.

- **AIMS** is capable of independently carrying out diagnostic research including micro- as well as macroeconomic and sector research studies.
- **AIMS** has the capabilities for delivering corporate restructuring, human resources, legal and management solutions and services.
- **AIMS** also has the capabilities for advising and arranging cross-border joint venture undertakings and on mergers & acquisitions as well as strategic holdings, divestment and privatization.
- **AIMS** has the rare distinction of being the first (and remains as the only one till date) private investment/asset management company in Bangladesh.
- **AIMS** has brought about qualitative changes in the finance sector in general and the capital market in particular through introducing innovative products and new approaches to investment finance in Bangladesh, specializing in Mutual Funds.
- **AIMS** conceived the idea and launched and managing the Tk70 million pioneering first mutual fund in Bangladesh under private initiative (2000), the **AIMS First Guaranteed Mutual Fund**, as the Asset Manager, sponsored by top ranked financial institutions, which played a pioneering role in developing a matured investment culture in the country. The size of the fund was later increased to Tk140 million by the general unitholders (2005). The closed-end fund has a unique capital guarantee feature, hitherto unknown in the local market. It is listed at both the Dhaka and the Chittagong Stock Exchanges.
- **AIMS** is the Asset Manager for the Tk170 million second closed-end private mutual fund in Bangladesh (2005), the **Grameen Mutual Fund One** sponsored by the Grameen Bank, founded by the Nobel Laureate Professor Muhammad Yunus, regarded as the innovator of microcredit. It was in actualization of the objectives of the visionary Professor to devise an avenue to embark in the capital markets by creating a cost-effective and dependable financial instrument for the poor clients of Grameen Bank and design a product that can bridge the vast poor with the mainstream urban economy, give them ownership in the leading enterprises, and take advantage of the growth potentials. It is listed at the Dhaka and the Chittagong Stock Exchanges.
- **AIMS** is the designated Asset Manager & Investment Advisor of the proposed **BGIC Mutual Fund** sponsored by Bangladesh General Insurance Company Limited (BGIC), the first general insurance company of Bangladesh. It is poised to be the first mutual fund floated by any general insurance company in Bangladesh. The project is in an advanced stage of materialization and expected to be launched by the middle of 2009. Application for registration of the fund is already lying with the SEC.

- **AIMS** has been designated by IDLC of Bangladesh Limited, the first lease finance company and premier non-bank financial institution in Bangladesh, as the designated Asset Manager & Investment Advisor of the proposed **IDLC First Mutual Fund** to be sponsored by it. The Tk250 million first scheme of the closed-end balanced income fund is poised to be the first mutual fund sponsored by any non-bank financial institution and expected to be floated during the second half of 2009.
- **AIMS** is the designated Asset Manager & Investment Advisor of the proposed **BRAC Provident Mutual Fund** for the Employee Provident Fund of BRAC, the largest NGO in the world. It is poised to be the first mutual fund launched by any pension fund in Bangladesh. It is in an advanced stage of materialization and expected to be launched by the end of 2009.
- **AIMS** was the first institution to introduce the concept of asset securitization by financing institutions in Bangladesh by acting as the Advisor to **BRAC**, the largest NGO in the world, on feasibility of the securitization of their microcredit receivables in a pioneering attempt (2001).
- **AIMS** has few unique specialized investment products on the drawing board, including Index, Shariah Compliant, Diaspora, Green Field and Sector & Industry Specific funds.



#### 4.4.3 Banks own in house research department:

A research and development department is responsible for innovations in design, products, and style. This department is responsible for creating innovative new products to keep companies a step ahead of the competition. Many companies also rely on the research and development department, or R&D Department, to improve existing consumer products, and to explore new ways of producing them. Research and development departments will provide advancements in products that range from simple updates of features to dramatic discoveries of new cures for diseases, depending on the field and the company's needs. The aim, in most cases, is to ensure that each product meets all regulations, legal requirements, and the highest standards in quality control. The research and development department works in conjunctions with other departments to achieve these aims.

Banking institutions thrive and succeed by creating innovative products, as well as by increasing company profit and utilizing cost-efficient methods. A research and development department is primarily responsible for ensuring that these goals are met. Often, a Research and Development Department works closely with the Marketing Department in Bangladeshi banking industry. The Marketing Department studies consumer trends by surveying and researching consumer demands, purchasing methods, product sales, and the existence and development of technology across the relevant market. The marketing department gathers all the data, and makes this information available to the R&D department, which will take action in response to the findings and proceed to keep the company on top of current market needs. For others, banks which do not have their own research and development departments use their marketing department to gather information and conduct surveys or research on behalf of banks.

Consumer demands often change very quickly, and the research and development department must be alert and adapt to these market fluctuations accordingly. Banks often allocate significant amount of money to research and development department so that they can continually modify and update their products to preserve brand's position within the market. Bangladeshi private banking sectors' product and services are highly dependable to the continuous change of the economy. And so should be the inception of new idea, products, tailoring and adjusting. These need a lot of research and expert consultancy to perform and generate.

There are several reasons for which banks tend to keep their resource facilities in house. It allows some unique benefits along with minimizing risk factors associated with it. Here are some of the core issues-

For some banks research is an issue of highest confidentiality as it deals with lots of internal sensitive informations of a particular bank. These informations are strictly bank's own private property and are meant to be secured from rivals. 3<sup>rd</sup> party involvement in banking for its research purpose can bring a huge threat in terms of confidentiality of sensitive information. By any means if those informations are accessed by the rivals the company may face serious financial lose, decrease in market share or even may shut down in the long run. This is the main issue for banks going for inhouse research.

Inhouse researching is fast, easy to implement and economic in term of expense. It is also very precise and specific problem oriented rather than outsourced research.

Inhouse experts are bank's own employees who have excellent idea and knowledge about ins and outs of that bank. They can come up with very accurate solutions to specific problems.

## **4.5 Barrier:**

### **4.5.1 From regulated entity:**

#### Strategic Risk

- ✓ The third party may conduct activities on its own behalf which are inconsistent with the overall strategic goals of the regulated entity.
- ✓ Failure to implement appropriate oversight of the outsource provider.
- ✓ Inadequate expertise to oversee the service provider.

#### Reputation Risk

- ✓ Poor service from third party.
- ✓ Customer interaction is not consistent with overall standards of the regulated entity.
- ✓ Third party practices not in line with stated practices (ethical or otherwise) of regulated entity.

#### Compliance Risk

- ✓ Privacy laws are not complied with.
- ✓ Consumer and prudential laws not adequately complied with.
- ✓ Outsource provider has inadequate compliance systems and controls.

#### Operational Risk

- ✓ Failure to draw appropriate conclusion.
- ✓ Inadequate financial capacity to fulfill obligations.
- ✓ Fraud or error

### **4.5.2 For CDCS:**

#### **Lack of Experience in such field:**

Banking organizations put a lot of emphasis on working with 3<sup>rd</sup> parties who have years of experience in such fields. It is because this practice minimizes error in order to draw conclusion for the regulator and incorporates greater efficiency and effectiveness. It is a matter of fact that CDCS has not been associated with banks till now. So entering into banking market without prior experience will be very difficult to obtain contracts.

### Absence of it solutions in product offering:

Banking activities are being heavily digitalized due to intense pressure and competition. This approach has initiated huge demand for IT support and services of banks to perform their day to day activities. For example- e- marketing, mobile marketing, development of audit and accounting software, credit and debit card development, building internal networking, security etc. As a matter of fact Banks IT demand is much more intense, severe and easily accessible rather than the others. But CDCS is deprived from this easy way to access banking industry for not having IT solutions in its offerings.

### Cut throat competitive environment:

Researching in banking industry by 3<sup>rd</sup> parties has been intense and more firms are stepping forward to enter this lucrative segment. Due to the diversity and variety of the industry, early entrants are getting competitive edge over the new comers. Protocols are being built to restrain others firms to enter by widening existing product services. Banks internal intense competition has forced research expenditure to go low. In such situation new firm like CDCS will find it really difficult to enter and sustain.

### Bank's Reluctance of not changing partner:

Another barrier for CDCS in the existing market would be banks reluctance of not changing partners. This is a strategic move taken by the banks to reduce time, money and effort in the process of hiring and contracting 3<sup>rd</sup> parties. Current partners do have a good knowledge of the regulator's ins and outs and can use those informations in project planning and implementation. On the other hand new firms would require intense study, meetings and analysis to conduct the same project to find out specific demand, usage and resources. To cut down these hassles private banks tend to work with existing 3<sup>rd</sup> parties unless quality is compromised. This approach narrows down the entrance scope of involving new entrants.



Center for Development &  
Competitive Strategies Ltd.

Research & Strategy

Capacity Building

Intervention

Research & Strategy

Capacity Building

Intervention

# *RECOMMENDATION & CONCLUSION*

RECOMMENDATION AND CONCLUSION

## 5.1 Recommendation:

### Establishing Network:

Communication and networking plays a vital role in Research and consultancy business. It enables firms to create entry platforms through which firms get access to varieties of industries. In order to gain contract firms need to submit proposals on their behalf and the most prospective proposal is chosen and selected for contract signing. Networking can make this step easy for 3<sup>rd</sup> parties as it provides easy access, strong communication and increased chance to be picked for the contract. So it is very essential for CDCS to go beyond its existing network coverage search for more.

In term of capturing the bank industry CDCS should prove its existence first and then go for affiliation. In order to do so CDCS must master the banking works and get individual insight about the industry. It is also important for CDCS to update itself with all recent activities, trends and traits of banks. Some good ways of quick networking could be like-

- Taking part in social welfare programs where major banks are involved.
- Invite banking personnel to programs or seminars arranged by CDCS.
- Approach more bank like financial institutions like NGOs, insurance companies etc.
- Addressing and sending notes to banks for its recent success or achievement.

### Offering IT solutions:

CDCS currently offers a wide variety of services which are able to meet demand of almost all research and consultancy concern except one, the IT solution. Due to the digitalization and automation in banking industry solutions regarding IT are intensely required and demanded. Comparative new products such as cards, mobile banking, internet banking, e- commerce etc. are adding additional support of it.

This is the reason why IT firms are having easy access to several banks of Bangladesh. This benefit can be exploited by CDCS if they go for adding IT solutions to their product line. But resource, expertise and experience constraints are the core challenges over here which must be checked in order to do so.

### Matching expertise with sector selection:

Even though CDCS offers a variety of research and consultancy services but being a new entrant CDCS has not been able to perform to all these sectors yet. So CDCS should only pick those sectors to work for

the banks and formulate strategies according to that which it has worked on similarly. This approach can highly support to target a specific sector of banks and build better expertise.

### **3<sup>rd</sup> party affiliation:**

CDCS can also focus on the 3<sup>rd</sup> parties who are already performing in the banking industry such as the companies mentioned earlier. If CDCS can affiliated themselves with these 3<sup>rd</sup> parties they will be working as 3<sup>rd</sup> parties for the 3<sup>rd</sup> parties. This approach can really be handy in term of understanding what sorts of works and supports are required in banking industry and their intensity. This is also great for building network and communication with the banks.

## **5.2 Conclusion:**

Analyzing this whole situation brings us to the bottom line of the report and that is affiliation between Industry and research and consultancy institution is tough, but not impossible. It will take systematic approach and strategies to get firms familiarize and work with and through the industries.

In context of Bangladeshi banking industry there is a huge scope for prosperity and mutual benefit for both regulators and 3<sup>rd</sup> parties. This sector is complex and requires an intense in depth knowledge to perform on this. So the practice of knowledge sharing between firms and industry should be appreciated, assisted and encouraged for further improvement in and beyond this sector.

Government as well as private sectors should facilitate this by engaging more firms to this sector for capacity building purpose. It is obvious that this initiative will take a long time to execute but we can still believe that such initiatives will make Bangladesh stronger in term of industry revolution.



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Research & Strategy

Capacity Building

Intervention

# *ATTACHMENT AND REFERENCE*

ATTACHMENT AND REFERENCE

**Questionnaire:**

Bank Industry Analysis-

In context of Research and consultancy scopes

**Questioner**

Name of the bank: \_\_\_\_\_

Name of the interviewee: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Questions:

1. Does this bank offer any consultancy services to clients?

YES

NO

Portfolio investment, Financing consultation, SME service, CSR, Branch expansion, IT etc

Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

➤ If yes, then does this bank have its own expert panel or does it outsource?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



2. What specific services does the research and development department do of this bank?

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3. Which sectors of this bank need research and consultancy support?

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4. Do you take help from private research companies in this manner?

 YES No

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➤ If yes, than how does this bank place the contract?

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➤ If no, then how does this bank conduct these researches?

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5. According to you, what is/ are the area/s that need/s intense research concern in banking?

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This questioner is intended for the report writing purpose only and not to be disclosed for other uses. Thank you for your valuable time and cooperation.

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