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BBA

Performance Analysis
of
GrameenPhone

For The Year 2007 to 2010



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Prepared For

Dr. Tanbir Ahmed Chowdhury
Professor
Department of Business Administration
East West University

Prepared By

Rezwanuzzaman
2008-1-10-094

Submission Date: 21th December 2011.



EAST WEST UNIVERSITY

Acknowledgement

First of all, I would like to thank my honorable supervisor **Tanbir Ahmed Chowdhury** for guiding me during the project. I am obliged to work under his supervision. I am declaring my most sincere regard to him for providing me support to express my conceptual capability in such a critical and important project that will keep a highly positive impact in my lifelong career.

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I strongly believe that, these will assist me a lot to make me more professional and building my future professional career. I am grateful to, honorable Prof. Dr. Tanbir Ahmed Chowdhury.



LETTER OF TRANSMITTAL

21th December, 2011.

Dr. Tanbir Ahmed Chowdhury
Professor
Department of Business Administration
East West University

Subject: Letter regarding submission of project work on "Performance Analysis of Grameenphone".

Dear Sir,

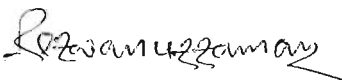
It's a great pleasure for me to have the opportunity to submit my project work on "Performance Analysis of Grameenphone" which had been a great experience for me to work in such an important area. I tried utmost to make & let it look like a professional one. Any shortcomings are expected to have a kind view for our encouragement.

Thank you for your sincere & honest try to let me make easy & get familiar with different terms & ratios of the capital structure and dividend policy as well as its importance to measure financial performance to help me make the paper a successful one.

My efforts will be valued if this report can serve for what it's been meant for & my assistance will be there for any queries.

Sincerely yours,

Rezwanuzzaman
2008-1-10-094



Executive Summary

Grameenphone (GP) is the market leader in the mobile telecommunication industry of Bangladesh. Their growth rate is very high. But in this age of competition, it is very difficult to keep the leading edge intact. Companies need to come up with new ideas to remain competitive. They need to keep their customers satisfied. The Project report reflects the activity and financial performance of Grameenphone.

The organization is still growing rapidly and the present scenarios and services offered by the organization have been described in this report. The initial part describes organization's objectives, products, services, market share, capital structure, financial condition of the year from 2007 to 2010 and etc.

The aim of this report is to describe the services offered by Grameenphone, the financial status of the company and how company can improve its performance regarding Principal and Financial activities. In the data collection method I have used primary sources and secondary sources. In broad sense higher performance depends upon many factors, like Internet packages, Value added services (Missed Call alert, welcome tune etc.) Product Tariff, Attitude of the company towards customers, financial decisions. Moreover, the study also shows how financial decisions, sales volume, expenses and financial techniques can affect company's revenue and different growth rates. After data analysis and some ratio analysis necessary recommendation is being made.

Finally, it is found that, though company had increasing revenue generated from 2007 to 2010, it had high performance in 2009 compare to the other years based on growth rates. We can also found some problems regarding corporation and customers and some recommendations and some possible solutions to establish higher performance. So, Grameenphone should think about the service level, customer satisfaction and better performance.

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Chapter 1: Introduction

1.1 Background of the Study

Grameenphone Ltd plays an important role in telecom sector of Bangladesh. The telecom sector of Bangladesh is composed by six mobile operator names as Grameenphone, Bangla Link, Airtel, CityCell, Robi and TeleTalk. At present among other mobile phone operators Grameenphone Telecom plays as the leading position and provides efficient wireless communication service along with a view to accelerating socio-economic development of the country. Day by day new competitors with different ownership appears with better ideas and products as well as service and Grameenphone has succeeded to cope up with every change in every necessary steps.

This report entitled performance evaluation through financial statement analysis a study on Grameenphone Ltd. to develop important measurement of principal and financial activity to compare with one year to another year for evaluating performance. There are several methods have been used to find out the performance of principal activity and the financial condition of an institution.



1.2 Review of Literature

Bellow some news about Grameenphone Ltd. are mentioned from 2007 those are significantly important for the users of Grameenphone, shareholders and for the company as well;

2007

- Company converted in Public Limited Company.
- Launched new VAS- Bull Stock Information, through which users can easily get access into share market information.
- Company reached 16 Million subscribers.

2008

- Company introduced Black Berry service.
- It reached 20 Million subscribers.

2009

- Company listed on Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.
- Grameenphone launched its branded handset and Internet modem.
- Company achieved ICAB award for 'Best Published Accounts & Reports 2009'.
- Company reached 21 Million subscribers.

2010

- Grameenphone Ltd. informed that Grameenphone Ltd. (GP) and Banglalion Communication Ltd. (Banglalion) have signed a Memorandum of Understanding (MOU) on 14 June 2010 to share GP's Passive Infrastructure to expand Banglalion's network across the country. This initiative will ensure sustainable utilization of national resources.

Ref: Meenhar Daily News, **News Date:** 2010-06-16, link: <http://meenhargroup.com/index.php?view=news&id=6>

- Company reached 29.97 Million subscribers.

2011

- Tax controversy: telecoms regulator that the mobile network operator owes it Tk 3,034 crore (US\$395 million) in unpaid revenue and tax, though Grameenphone denied the claim. The Bangladesh Telecommunication Regulatory Commission (BTRC) claims that Grameenphone will have to pay Tk 2,146 crore in unpaid revenue and accumulated interest payment to the regulator and the remainder will go to the government's National Board of Revenue (NBR). The company has invalidated the demand, they are arguing that the audit was not carried out correct or to established methods, and is still under way. As a result company is still confused that how a demand could be issued. The company's Chairman, Sigve Brekke did however suggest that the company would be willing to make a payment if an independent international audit firm found any discrepancies.

Ref: cellular-news, By: [Ian Mansfield](#), 5th Oct 2011, 17th Oct 2011

- Company preached over 30 Million subscribers.

1.3 Objective of the Study

A significant array of reforms, deregulation and liberalization have been carried out over the recent years in policies relating to virtually every sector of the telecom industry including financial reforms with the aim of globalization challenges for the networking through introduction of competitiveness and productive efficiency:

- Specify the core and subsidiary services
- To know the technological effect on service
- Identify the performance based on activities
- To interpret operation and smooth efficiency
- Identify based on performance analysis
- To recognize major drawbacks
- To finds the loopholes of the operations
- To analyze the company not by the age but the performance

1.4 Scope and Methodology

The **Scope** of the study is, it examines

- An historical overview of Grameenphone
- Shareholders, divisions and organizational structure of the company
- Products and services
- Marketing channels
- Sales volume
- Capital Structure
- Financial performance

Methodology to inspect principal activities is to collect information from Annual Report of Grameenphone from year 2007 to 2010, Internet and from some survey as well. To justify financial performance, have done some ratio analysis are made, like- ROA, ROE, EPS, P/E Ratio, DPS etc. Capital structure, sales volume, expenditure, revenue, income among the selected years is compared. To validate it has needed to be reviewed the company documents and other relevant literature, analysis of the company data and case studies.

1.5 Limitation of the Study

-As Grameenphone Ltd. entered into share market for common stock, there is a lack of information and data of consecutive two previous two years.

-As capacity utilization is internal information, there is short of accurate information regarding this particular issue.

Chapter 2: An Appraisal of Principal Activities of Grameenphone Ltd.



2.1 An Overview of Grameenphone

Grameenphone Ltd. (GP) is the market leader in the mobile telecommunication industry of Bangladesh. GP is a joint venture between Bangladesh and Norway. Major shareholders were Telenor (68%) and Grameen Telecom (32%). In 2008 it went public. Presently the shareholder status of the company is Telenor (55.80%), Grameen Telecom (34.20%), Institute and Public (10.00%). Telenor is the state owned telecommunication company of Norway. It has operations in different countries of the world. On the other hand, Grameen Telecom is the sister concern of Grameen Bank, one of the biggest Non Government Organizations (NGO) of Bangladesh.

History of Grameenphone Ltd.

November 28, 1996: Grameenphone was offered a cellular license in Bangladesh by the Ministry of Posts and Telecommunications.

March 26, 1997: Grameenphone launched its service on the Independence Day of Bangladesh.

June 1998: GP started its services in the port city of Chittagong, the second largest city in the country. Cell to cell coverage in the Dhaka-Chittagong corridor also enabled GP to introduce its service in a number of other districts along the way.

September 1999: GP started its service in the industrial city of Khulna. Once again, a number of other districts came under coverage of GP because of the cell to cell coverage between Dhaka and Khulna. Earlier in September 1999, it introduced the EASY pre-paid service in the local market. It also introduced the Voice Mail Service (VMS) and the Short Message Service (SMS) and other Value Added Services (VAS).

June 2000: Grameenphone started its services in Sylhet, Barisal and Rajshahi, bringing all six divisional headquarters under the coverage of its network. The service in Barisal region was started after the microwave link between Khulna and Chittagong was completed.

August 2003: After six years of operation, Grameenphone has more than one million subscribers.

November 2005: Grameenphone continues to being the largest mobile phone operator of Bangladesh with more than 5 million subscribers.

November 16, 2006: After almost 10 years of operation, Grameenphone has over 10 million subscribers. Grameenphone has built one of the most extensive infrastructures of Bangladesh and is a major contributor to the development of the national economy.

December 31, 2007: Grameenphone is one of the largest private sector investments in the country with an accumulated investment of USD \$1.7 billion up to December 2007. Grameenphone is also one the largest taxpayers in the country, having contributed nearly BDT 5000 Crore in direct and indirect taxes to the Government Exchequer over the years of which is amount, BDT 1670 Crore was paid in 2005 alone.

GP was also the first operator to introduce the pre-paid service in September 1999. In addition to core voice services, Grameenphone offers a number of value-added services, in each case on both a contract and prepaid basis. It established the first 24-hour Call Center, introduced value-added services such as VMS, SMS, Fax & Data Transmission Services, International Roaming Service, WAP, SMS - based Push-Pull Services, EDGE, personal ring back tone and many other products and services.

Grameenphone nearly doubled its subscriber base during the initial years while the growth was much faster during the later years. It ended the inaugural year with 18,000 customers, 30,000 by the end of 1998, 60,000 in 1999, 193,000 in 2000, 471,000 in 2001, 775,000 in 2002, 1.16 million in 2003, 2.4 million in 2004 and 5.5 million in 2005 customers. Currently the customer base of Grameenphone is over 20 million.

Grameenphone offers the widest coverage in Bangladesh. The population coverage has increased from approximately 85% in 2005 to above 90% in 2006. Currently the population coverage is 98% (Including voice call and Edge/GPRS). In addition; Grameenphone also offers GPRS in most of the country and EDGE in urban areas.

From the very beginning, Grameenphone placed emphasis on providing good after-sales services. In recent years, the focus has been to provide after-sales within a short distance from where the customers live. There are now more than 400 GP Service Center, 20 GPC Franchise, recharge retailers: 1,05,000+, total retailers: 18000+, distributors: 96, Single hotline which operates 24/7; the country covering all 64 districts. In addition, there are 62 GP Customer Centers in all the divisional cities and they remain open from 8am-7pm every day including all holidays.

Grameenphone has generated direct and indirect employment for a large number of people over the years. The company presently has more than 6,000 full-time, part-time and contractual employees. Another 70,000 people are directly dependent on Grameenphone for their livelihood, working for the GP dealers, retailers, scratch card outlets, suppliers, vendors, contractors and others.

In addition, the Village Phone Program, also started in 1997, provides a good income-earning opportunity to more than 200,000 mostly women Village Phone operators living in rural areas. The Village Phone Program is a unique initiative to provide universal access to telecommunications service in remote, rural areas. Administered by Grameen Telecom Corporation, it enables rural people who normally cannot afford to own a telephone to avail the service while providing the Village Phone operators an opportunity to earn a living.

The Village Phone initiative was given the "GSM in the Community" award at the Global GSM Congress held in Cannes, France in February 2000. Grameenphone was also adjudged the Best Joint Venture Enterprise of the Year at the Bangladesh Business Awards in 2002.

Grameenphone considers its employees to be one of its most important assets. GP has an extensive employee benefit scheme in place including Gratuity, Provident Fund, Group

Insurance, Family Health Insurance, Transportation Facility, Day Care Centre, Children's Education Support, higher Education Support for employees, In-House Medical Support and other initiatives.

The People

The people of Grameenphone are young, dedicated and energetic. All employees are well educated at home or abroad, with an even distribution of males and females and social groups in Bangladesh. They know in their hearts that Grameenphone is more than phones. This sense of purpose gives them the dedication and the drive, producing the biggest coverage and subscriber-base in the country. Grameenphone provides equal employment opportunities and recognizes the talents and energy of its employees.

The Service

Grameenphone believes in service that leads to good business development. Telephony helps people work together, raising their productivity. This gain in productivity is development, which in turn enables them to afford a telephone service, generating good business. Thus development and business go together.

The Technology

Grameenphone's Global System for Mobile or GSM technology is the most widely accepted digital system in the world, currently used by over a billion people in 172 countries. GSM brings the most advanced developments in cellular technology at a reasonable cost by spurring severe competition among manufacturers and driving down the cost of equipment. Thus, consumers get the best for the least. Grameenphone is now the leading telecommunications service provider in the country with more than 23 million subscribers as of March 2010.

Over the years, Grameenphone has always been a pioneer in introducing new products and services in the local market. GP was the first company to introduce GSM technology in Bangladesh when it launched its services in March 1997. The technological know-how and managerial expertise of Telenor AS has been instrumental in setting up such an international standard mobile phone operation in Bangladesh. Being one of the pioneers in developing the GSM service in Europe, Telenor AS has also helped to transfer this knowledge to the local employees over the years.

Grameenphone – Largest Network Coverage



10,000 base stations in more than 5700 locations

98% Population (Voice + EDGE/GPRS)

Indoor and Highway Coverage

Internal



Figure 1: Tower

Corporate Governance

In the fast-paced world of telecommunications, vibrant and dynamic Corporate Governance practices are an essential ingredient to success. Grameenphone believes in the continued improvement of Corporate Governance. This in turn has led the company to commit considerable resources and implement internationally accepted Corporate Standards in its day-to-day operations.

Being a public limited company (PLC), the Board of Directors of Grameenphone have a pivotal role to play in meeting all stakeholders' interests. The Board of Directors and the Management Team of Grameenphone are committed to maintaining effective Corporate Governance through a culture of Accountability, Transparency, Well-Understood Policies and Procedures. The Board of Directors and the Management Team also persevere to maintain compliance of all laws of Bangladesh and all internally documented regulations, policies and

procedures. Grameenphone is a truly transparent company that operates at the highest levels of integrity and accountability on a global standard.

Corporate Social Responsibilities

Grameenphone started its journey 12 years back with the believe that- “Good development is Good business”. Since its inception, Grameenphone has been driven to be inspiring and leading by example, when it comes to being involved in the community. Grameenphone believe that, sustainable development can only be achieved through long term economic growth. Therefore, as a leading corporate house in Bangladesh GP intend to deliver the best to their customers, business partners, stakeholders, employees and society at large by being a partner in development.

Grameenphone defines Corporate Social Responsibility as a complimentary combination of ethical and responsible corporate behavior as well as a commitment towards generating greater good in society as a whole by addressing the development needs of the country.

To interact effectively and responsibly with the society and to contribute to the socio-economic development of Bangladesh, Grameenphone has adopted a holistic approach to Corporate Social Responsibility, i.e. **Strategic & Tactical**. Through this approach GP aims to, on the one hand involve itself with the larger section of the society and to address diverse segments of the stakeholder demography and on the other remain focused in its social investment to generate greater impact for the society.

Grameenphone focuses its Corporate Social Responsibility involvement in three main areas - **Health, Education and Empowerment**. They aim to combine all their CSR initiatives under these three core areas to enhance the economic and social growth of Bangladesh.

Shareholders of Grameenphone Ltd.

The shareholders of Grameenphone contribute their unique, in-depth experience in both telecommunications and development. The international shareholder brings technological and business management expertise while the local shareholder provides a presence throughout Bangladesh and a deep understanding of its economy.

About Telenor

Telenor AS is the leading Telecommunications Company of Norway listed in the Oslo and NASDAQ Stock Exchanges. It owns 61.2% shares of Grameenphone Ltd. Telenor AS have played a pioneering role in development of cellular communications. It has substantial international operations in Mobile Telephony, Satellite Operations and Pay Television Services. In addition to Norway and Bangladesh, Telenor AS owns GSM companies in Denmark, Austria, Hungary, Russia, Ukraine, Montenegro, Thailand, Malaysia and Pakistan.

About Grameen Telecom

Grameen Telecom Corporation, which owns 34.2% of the shares of Grameenphone Ltd., is a non-profit company and works in close collaboration with Grameen Bank. The internationally reputed bank for the poor has the most extensive rural banking network and expertise in micro finance. Grameen Telecom, with the help of Grameen Bank, administers the Village Phone Program, through which Grameenphone provides its services to the fast growing rural customers.

Grameen Telecom's objectives are to provide easy access to GSM cellular services in rural Bangladesh, creating new opportunities for income generation through self-employment by providing villagers with access to modern information and communication based technologies.

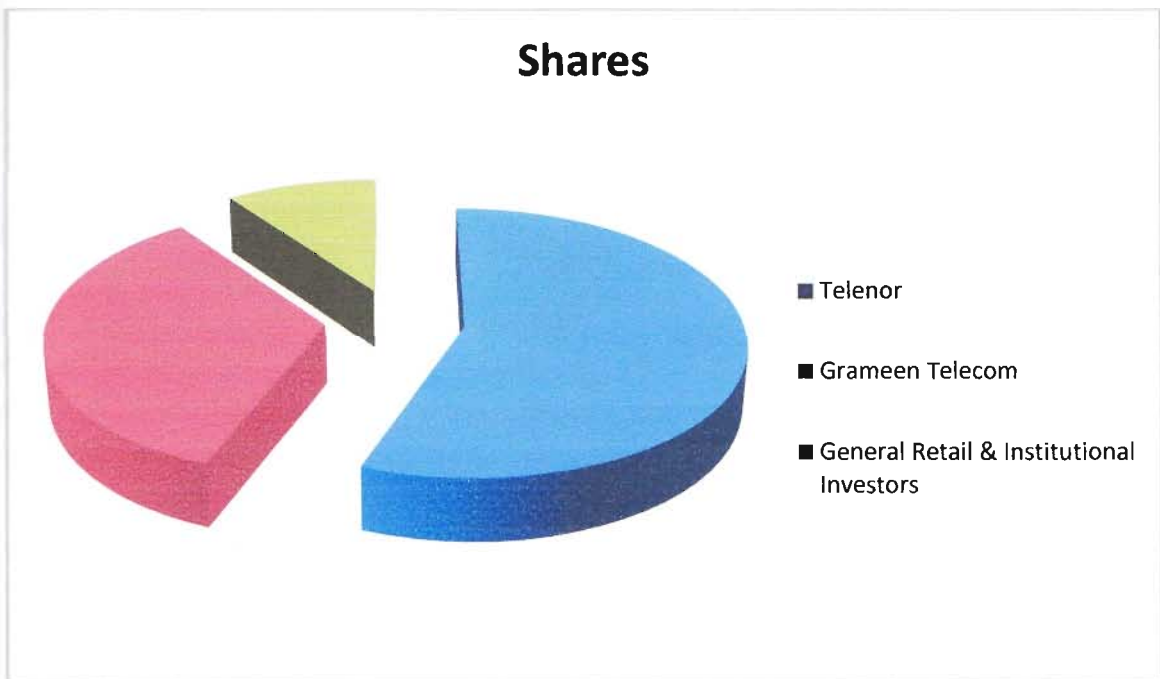


Figure 2: Shares of Grameenphone Ltd

Divisions at Grameenphone Ltd.

Grameenphone Ltd. has approximately 6000 employees working at different levels of organizational hierarchy. There are 9 functional departments engaged in managing these employees- with the aim to meet organizational objectives. Grameenphone follows a mix of centralized and decentralized decision making process-where the top management mainly takes all the strategic decisions while the functional managers have flexibility to take decisions by themselves on a day to day basis. At Grameenphone the Managing Director is assisted by 9

Senior Executives who are heading different departments in the strategic decision making process.

The departmental names of Grameenphone are given below:

- Corporate Affairs Division
- Customer Service Division
- Finance Division
- Human Resource Division
- Information Technology Division
- Internal Audit Division
- Internal Control Office Division
- Marketing Division
- Network Division
- Public Relation Division
- Sales Division

Grameenphone follows a 3-layer management philosophy in Bangladesh. These are Directors, Managers and Officers. The CEO is the top most authority of all the levels. Directors are the departmental heads that are responsible for the activities of their departments. Managers have the authority next to directors. These two layers represent the management level of Grameenphone. Officers are the next persons to stand in the hierarchy list. They are the typical mid-level employees of Grameenphone's organizational hierarchy. These officers are responsible for managing the operational activities and operating level employees.



2.2 Capital Structure of Grameenphone

Equity and Debt for the year 2007 to 2010:

		2007	2008	2009	2010
Equity		26,111,106,162	27,588,156,001	50,154,326,408	47,905,652,666
Debt	Non Current	25,905,278,553	30,375,333,697	20,056,079,762	16,828,405,621
	Current	36,444,656,361	50,230,964,393	38,952,087,123	44,641,902,986
	Total Debt	62,349,934,910	80,606,298,090	59,008,166,890	61,470,308,610

Table 1: Debt and Equity amount for the year 2007-2010, Ref: AR of GP, Balance Sheet of 2007-2010

Debt to Equity Ratio (D/E):

The debt-equity ratio is a leverage ratio that compares a company's total liabilities to its total shareholders' equity. This is a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed.

For the Years	2007	2008	2009	2010
Debt to Equity Ratio (In BDT)	0.63	0.68	0.14	0.11

Table 2: Debt to Equity Ratio for the year 2007-2010; Ref: AR of GP, Page: 42

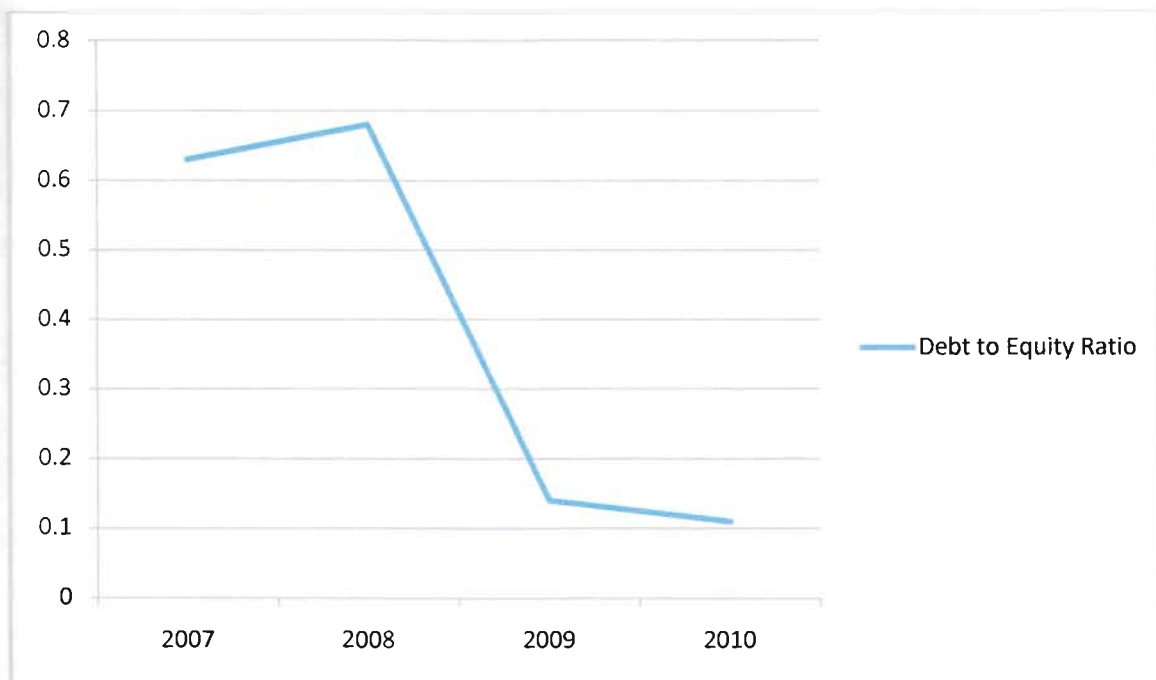


Figure 3: Debt to Equity Ratio for the Year 2007-2010

To a large degree, the debt-equity ratio provides vantage point on a company's leverage position, in this case, comparing total liabilities to shareholders' equity, as opposed to the total assets in the debt ratio. Similar to the debt ratio, a lower the ratio means that a company is using less leverage and has a stronger equity position.

In 2007, for every BDT 1 of equity a shareholder bears BDT 2.39 debt. In 2008, for every BDT 1 of equity a shareholder bears BDT 2.92 debt. In 2009, for every BDT 1 of equity a shareholder bears BDT 1.17 debt. And In 2010, for every BDT 1 of equity a shareholder bears BDT 1.28 debt.

From Table 1 it is seen that in 2008 total debt amount is highest compare to the amount of equity and it is lowest in 2010. Whose effects are showed in Table 2. From this calculation it is clear that, shareholders were in more risk in 2008 and in less risk in 2009. From this it is clearly understandable that, Grameenphone used highest leverage or debt financing in 2008 in between years 2007 to 2010. It had lowest leverage in the year 2010, that means, it had a strong equity position in that year among the four years.

2.3 Organizational Structure

Explicit and implicit institutional rules and policies designed to provide a structure where various work roles and responsibilities are delegated, controlled and coordinated. Organizational structure also determines how information flows from level to level within the company. In a centralized structure, decisions flow from the top down. In a decentralized structure, the decisions are made at various different levels.

Organizational Structure of Grameenphone – 2007

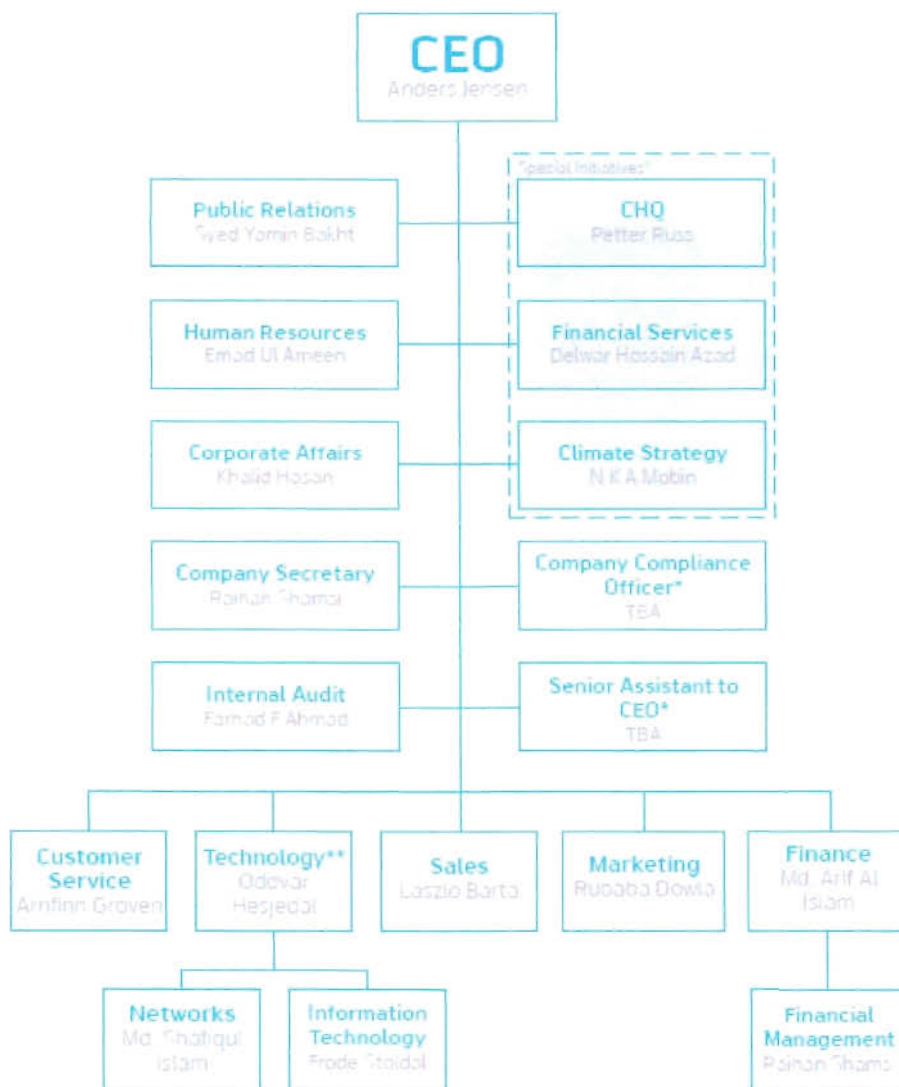


Figure 4: Organizational Structure of Grameenphone – 2007; Ref: AR of GP 2007

Organizational Structure of Grameenphone – 2008

GP Organogram & Management

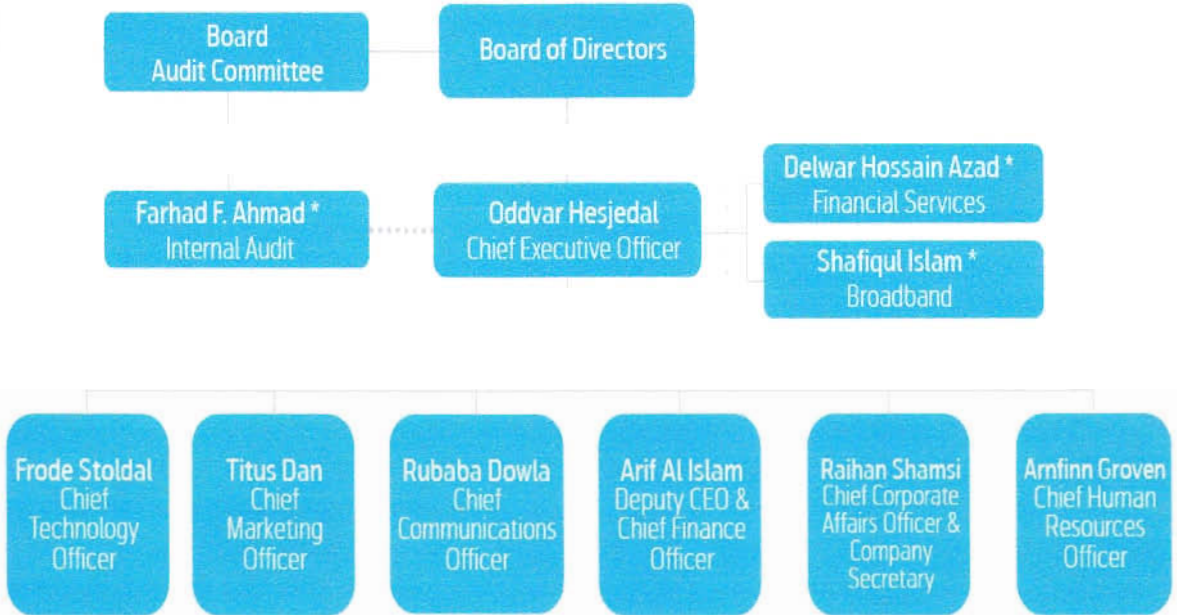


Figure 5: Organizational Structure of Grameenphone – 2008; Ref: AR of GP 2008



GP Organogram & Management

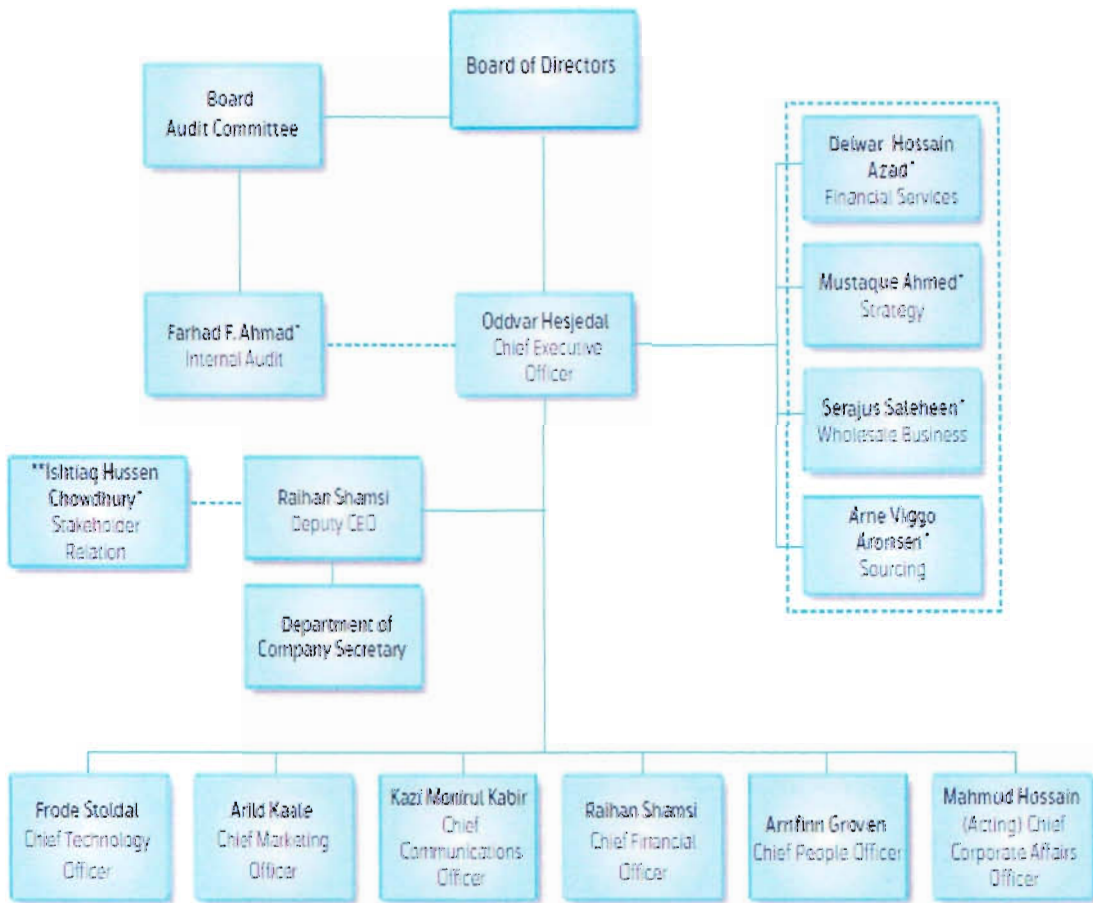


Figure 6: Organizational Structure of Grameenphone – 2009; Ref: AR of GP 2009

Organogram & Management

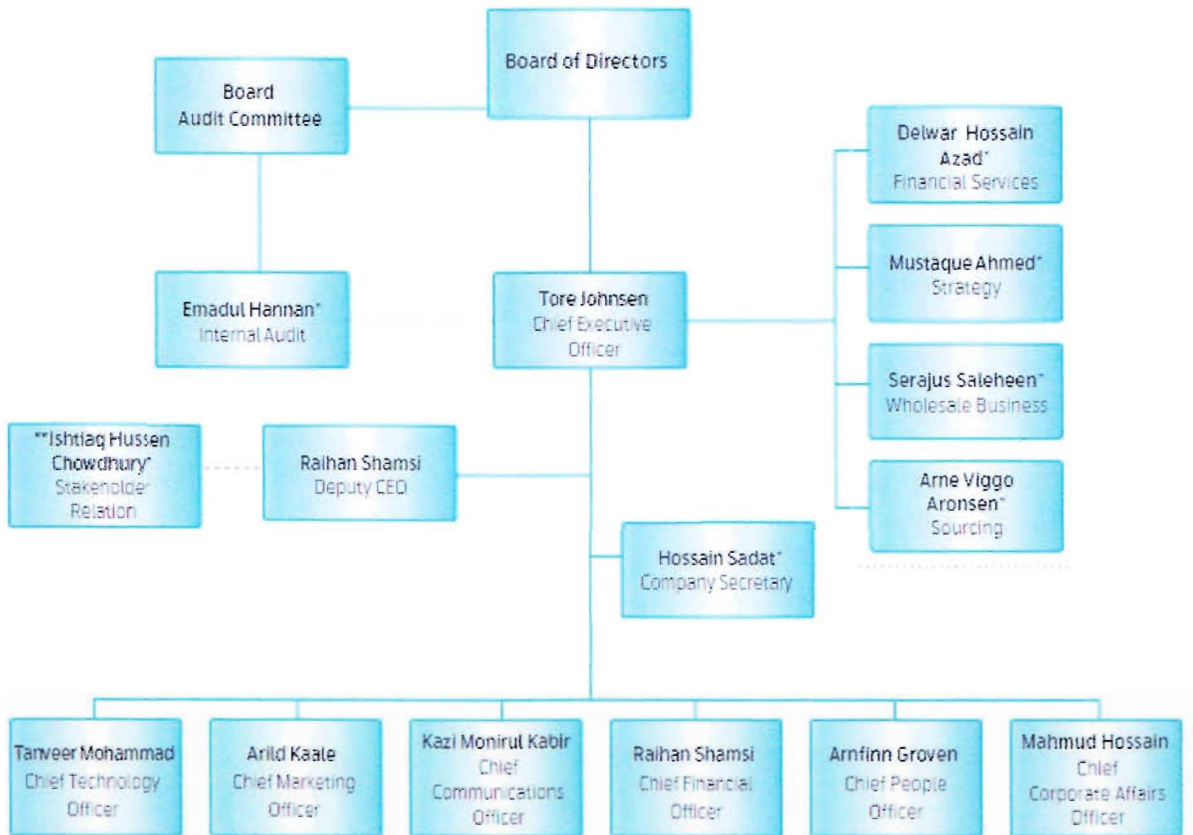


Figure 7: Organizational Structure of Grameenphone – 2010; Ref: AR of GP 2010

2.4 Human Resource Management

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management can also be performed by line managers. Human Resource Management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. Human Resource Management is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

HR Policy and Practice:

Grameenphone is the pioneer in the field of human resource management, employee care and competence development in Bangladesh. Grameenphone is currently employing approximately 5000 people of which 84 % is under 31years old. The employees are spread out in six office zones throughout the country, with Dhaka being the largest with 3561 employees. Most of the staff has university backgrounds within fields such as management, marketing, economics, finance and engineering. In 1997 the number of expatriates working in the company was close to 90. Today however, there are only five foreigners employed on a regular basis, and another five on time-limited contracts. The government demands that a ratio of 1:20, expatriates to locals be kept. The figures are therefore not only within the government requirement, but significantly so. The situation is supposedly a lot different in many of competitor companies of Grameenphone. The turnover rate in 2006was 8%, and a preliminary 4% so far for 2007. The number of resignations peaked in 2005 when new operators penetrated the market and offered higher salaries to Grameenphone employees, but this was still relatively low. One could argue that low turnover rates are a good indicator of a healthy work environment.

Company HR Policy:

- Company lay out
- Selection &Recruitment
- Motivation
- Training
- *Employees benefits
- Code of Conduct
- Performance appraisal

Selection & Recruitment:

Source of recruitment

External sources:-

- Management consultant
- Advertisement
- Management institute
- Recommendation
- Deputation personnel

Selection process:-

- Job analysis
- Initial screening
- Application bank
- Test
- Interview
- Reference check
- Medical final and job offer

Motivation:

The job of a manager in the workplace is to get things done through employees. To do this the manager should be able to motivate employees. Motivation practice and theory are difficult subjects, touching on several disciplines. In spite of enormous research, basic as well as applied, the subject of motivation is not clearly understood and more often than not poorly practiced. To understand motivation one must understand human nature itself. But there is a problem. In Grameenphone as we all know that it's a government organization so they not give such motivational package which an employee gets in private organization. But without motivation package no employee give their maximum to the organization. Some motivational package which Grameenphone give there employee is:-

- Free telephone facility
- Promotion
- Transfer
- Time to time revision of pay scale
- Central government facility
- Quarter for leaving· Good working environment

Employee Training:

Employee training is the planned effort of an organization to help employee's learnt he job related behaviors and skills they will need to do their job properly. It is a set of planned activities that the organization will have their employees complete in order to increase their job knowledge and skills and to have them get accustomed to the attitudes and social atmosphere of the company. It will help the employee to be familiar with the goals of the organization and

the job requirements. There are typical steps that go into a training program. These are outlined below.

i. Conduct Needs Assessment: A need is described as a "gap" between what is currently known and what will be needed now and in the future. These gaps in knowledge could be between what an organization expects to happen and what actually does, how employees are performing on the job and how the organization desires them to perform, and existing skills and desired skill level. In order to conduct an assessment there are some analyses that must be done.

- An organizational analysis determines the effectiveness of an organization, where training is needed and under what conditions the training will be conducted.

- A task analysis is used to provide data about a job or group of jobs, and the knowledge, skills, attitudes and abilities that are needed to achieve optimum performance. This information can come from job descriptions, task analyses, employee questionnaires and interviews, performance evaluation, and observation of the workplace.

- Finally - person analysis analyses how well an individual employee is doing their job and determines which specific employees need training and what kind of training. The methods of this kind of analysis include employee questionnaires and interviews, performance evaluation, skill and knowledge testing and the observation of behavior and results.

ii. Implement Training Methods: Now that the analysis has been done, the training method needs to be chosen. The two most frequently used training methods include:

- Lecture: Lecture involves one-way communication, from instructor to learner -the learner is passive in the process.

- On-the-job-training: This method involves such methods as apprenticeship and mentoring, where the employee is actively engaged in the type of work they will later be doing on their own.

- Programmed instruction: This is a form of instruction that is pre-programmed and then delivered methodologically to an individual. This form of instruction is self-paced -the employee determines how fast they will learn and complete the steps and it is often completed more quickly than group training. It can be delivered via a computer and can be costly to prepare.

- Simulations: This sort of training involves an employee being placed into a simulated situation of what may occur in real on-the-job situations. Techniques include: Case studies where trainees analyze a problem outlined in a report and offer solutions; role playing where simulated roles are acted out; and behavioral modeling where trainees observe proper work behavior and then role play it. Part of the implementation of the training is making sure that the training is actually teaching the employees the skills they will need - this is known as the Transfer of Training. A more technical definition is: the extent to which the knowledge, skills or attitudes learned in the training will be used or applied on the job. There are ways to increase the probability of what employees are being trained will really relate to their actual job behavior. To do this, one can maximize the similarity between the training situation and the job situation, provide a variety of examples when teaching skills and reward trained behaviors and ideas on the job.

iii. **Training Evaluation:** Training evaluation is used to evaluate the reactions of the learners, measure the learning that occurred, assess on-the-job behaviors, identify business results that are due to the training and calculate if the investment in training has had any return in the gains of the company. Business results can be measured in "hard" data and "soft" data. Hard data are measures of productivity, quality, material costs, absenteeism and turnover and customer satisfaction. Soft data is items such as job satisfaction, teamwork, and organizational commitment on the part of the employees.

Employee benefits:

In addition to a relatively high salary, Grameenphone employees are offered several benefits. In an annual survey comparing 10 competitors and similar companies in other industries, Grameenphone identifies the wage distribution and bases its own wage levels on those in the upper quartile. This yields a minimum monthly salary of 28000 BDT (408 USD). The national average income for earners in non-agricultural sectors is 6000 BDT (Bangladesh Bureau of Statistics 2005). As a part of the employee policy, Grameenphone is also providing monthly education grants to children of all employees' until the age of 21. This grant is a fixed monthly sum for each child. Furthermore, these children can also apply for financial support to attend university. In compliance with the local legislation Grameenphone is building a pension fund for its employees. In addition to the required minimum level, Grameenphone also invests in provident funds. 10 % of the employee's salary is paid on a monthly basis into the fund. Participation in the fund is voluntary. Following five years of employment, the company invests, in addition to the 10% provided by the employee, the same amount into the fund for each individual. All regular employees are also entitled to a gratuity payment paid at the end of his/her service with the company and this is calculated based on the length of service. All employees are entitled and covered by health and medical insurance. This also applies to family members. This coverage has also been known to apply to out-source. An example of this is that several drivers hurt in traffic accidents have been sent to Thailand and Singapore for medical treatment.

Code of Conduct:

Upon entering the company, all employees must sign a code of conduct. The document presents guidelines for proper conduct and ethical behavior. It is divided into four parts: Firstly, general guidelines describe the rationale behind this document, namely the importance of communicating corporate values and for employees to adopt them. This section includes broad, overarching topics such as human worth, working environment, health, loyalty and confidentiality and reporting/disclosure among others. The second section refers to the relationship with customers, suppliers, competitors and public authorities. The main message here is that all stakeholders should be treated with respect and that unethical interaction, such as receiving expensive gifts and services are unacceptable. The third section looks at the employee's private interests and actions in relation to the company. Here political activism and other external duties are encouraged up to the level where it will not interfere with their work at Grameenphone. The last section emphasizes that all misconduct or indeed suspicions of such activity must be reported immediately. It ensures the employee that no

reprisals will be undertaken towards them. In other words: whistle-blowing is allowed and promoted. The most important aspect of this document is its comprehensive approach to conduct. In relation to this point it is important to note that it is mandatory for all Grameenphone employees to sign a document agreeing to comply with this code.

Performance appraisal:

IN the Grameenphone performance appraisal doesn't play a great role reason behind that it's a government organization but it's a important part of organization. In Grameenphone every employee has a service book which is written by his senior if employers not do his duty well then his senior mark in his service record book which create problem for gating promotion etc.

PERFORMANCE APPRAISAL: Grameenphone limited follows different types of method to evaluate his employee performance and accordingly they provide incentives and perk to them as well as promotion and pay rise. ITI also get done its HR audit during period of 2002 to 2005 which included many of its office along with head quarters. Audit objectives:-

1. The manpower planning done by the Company was adequate to meet its objectives.
2. The Company ensured optimum deployment of manpower.
3. The Company introduced new recruitment policies and practices and whether they were adequate.
4. Well defined, fair and transparent career progression policies and practices were in place.
5. Well defined, fair and transparent transfer policies and practices were in place.
6. An effective performance management system was in place.
7. The training imparted by the Company was effective.
8. Clearly defined and effective conduct and disciplinary rules were in place.
9. Incentive and welfare policies and practices were effective.
10. An adequate exit policy had been formulated and implemented by the company.

But the finding which came out was something different than the thinking of management. The committee has given emphasis on the need of regular staff training, staff norms and a heavy investment to upgrade the knowledge base of employees. There were many personnel in different part of organization who were idle and required to be deployed to be utilized effectively. ITI also keep record of it employee in form of Annual Confidential Report (ACR) which is used to compare with the target set for them by the company. The company also follows 'open review system' for judging the performance of individuals. In this system, the superior officer discusses the self appraisal submitted by his/her subordinate so as to make the appraisal of his/her performance totally transparent.










2.5 Products of Grameenphone

Grameenphone was the first operator to introduce the pre-paid mobile phone service in Bangladesh in September 1999. It offers the pre-paid subscription under the name Easy Prepaid which is currently called "smile prepaid". Besides smile, Grameenphone also offers a youth based mobile to mobile connectivity within Bangladesh named djuice'.

Grameenphone also offers postpaid mobile service. Xplore Postpaid is the name of its post paid service.

Bellow the products and the services of Grameenphone are briefly described;

01. Packages:

Packages	Logo	Description
<u>Xplore</u>		Xplore is a postpaid connection and is available with Mobile to Mobile with BTCL connectivity. BTCL incoming is absolutely free in Xplore.
<u>Shohoj</u>		Grameenphone prepaid connection comes with this pre-activated package where you will be able to talk to any operator number at a low, flat rate of Tk 0.79.
<u>Bondhu</u>		This package with the highest number of F&Fs (7) allows you to talk to your near and dear ones at the lowest rate.
<u>Apon</u>		You can talk to over 31 million Grameenphone numbers at a very low rate of 49 Paisa per minute.
<u>Baadhon</u>		"Baadhon" is a special package which is very suitable for the rural population of Bangladesh.
<u>Spondon</u>		"Spondon" is the new attractive price plan from Grameenphone which gives you the opportunity to "Pay only as much as you will talk".
<u>Smile</u>		The Grameenphone Smile prepaid connection now gives you more freedom, more opportunities and more reasons to smile.
<u>djuice</u>		New djuice price plan from Grameenphone Ltd. is designed with the Youth in mind.
<u>Business Solution</u>		We are here to help you grow and win. No matter how unique or diverse your business is, we offer customized solution for you to win the tough war of business.




Ekota		For Small and medium enterprises Grameenphone offers a unique package Ekota.
GP Public		GP Public Phone is the package for PCO entrepreneurs.
GPVP		Village Phone Program is a noble effort by tri party (GP-GTC-GB) to eliminate poverty by providing self-employment opportunity.

Table 3: SIM Card Packages; Ref: Website of GP, Link: <http://www.grameenphone.com/products-and-services/packages>

Q2. Handsets:




Handsets	Model	Description
	Q100	"Messaging has never been so easy"
	SHAKE	It is one of the coolest handsets ever created in the world and the set shakes.
	Crystal	"An engaging device with which you are never alone"

Table 4: Grameenphone Launched Handsets



03. Internet

03.1 internet Packages

Package	Subscriber Type	Features	SMS Activation Code (5000 Port)	USSD Activation Code	Usage Check	After expiration of validity period	Auto renewal feature
P1 (Minipack Pay Per Use)	Only Prepaid	Daily Maximum BDT 20 Unlimited Package with Fair Usage Policy	P1, PAYG	*500*1#	*577*5# or *500*60#	N/A	N/A
P1 (Pay as you Go)	Only Postpaid	Pay As You go	P1, PAYG	*500*1#	N/A	N/A	N/A
Package P2 (FUP Enforced after 5GB) *	Both Prepaid & Postpaid	Monthly Heavy Browsing Package with Fair Usage Policy	P2, Unlimited, U	*500*2*1#	N/A	Successful auto renewal if subscriber has sufficient balance, otherwise deactivation of package	Yes
Package P3 (FUP Enforced after 5GB) *	Both Prepaid & Postpaid	Monthly Night Time Heavy Browsing Package with Fair Usage Policy (from 12am till 10am)	P3, Night, NU	*500*3*1#	N/A	Successful auto renewal if subscriber has sufficient balance, otherwise deactivation of package	Yes
P4 (Daily)	Prepaid	Daily 150MB	P4, 150MB	*500*4*1#	N/A	Deactivation of	No

Package	Subscriber Type	Features	SMS Activation Code (5000 Port)	USSD Activation Code	Usage Check	After expiration of validity period	Auto renewal feature
		Package				package.	
P5 (3GB)	Both Prepaid & Postpaid	3GB Volume Based Package for 30 Days	P5, 3GB	*500*5*1#	*566*10# or *500*60#	Successful auto renewal if subscriber has sufficient balance, otherwise deactivation of package	Yes
P6 (1GB)	Both Prepaid & Postpaid	1GB Volume Based Package for 30 Days	P6, 1GB	*500*6*1#	*566*10# or *500*60#	Successful auto renewal if subscriber has sufficient balance, otherwise deactivation of package.	Yes
Minipack 15MB	Both Prepaid & Postpaid	15MB Volume Based package for 15 Days	P7, 15MB, 15	*500*7*1#	*566*1# or *500*60#	Successful auto renewal if subscriber has sufficient balance, otherwise deactivation of package	Yes
Minipack 99MB	Both Prepaid & Postpaid	99MB Volume Based package for 15 Days	P9, 99MB, 99	*500*9*1#	*566*1# or *500*60#	Successful auto renewal if subscriber has sufficient balance,	Yes

Package	Subscriber Type	Features	SMS Activation Code (5000 Port)	USSD Activation Code	Usage Check	After expiration of validity period	Auto renewal feature
Minipack 3MB	Only Prepaid	3MB Volume and 3MMS bundled for 3 Days	P10, Sachet, 3, 3MB	*500*10#	*500*60# Or *566*1# for Data and *566*14# for MMS	otherwise deactivation of package Edge will be deactivated after 3MB Volume Expiration	No
Minipack 1MB	Only Prepaid	1MB Volume and 20MMS bundled for 2 Days	1, Easy, P11, 1MB	*500*11#	*500*60# Or *566*1# for Data and *566*14# for MMS	Edge will be deactivated after 1MB Volume Expiration	No

Table 5: EDGE Packages; Ref: Website of GP, Link: <http://www.grameenphone.com/products-and-services/internet>

* After crossing 5GB, speed will be throttled down to 24 kbps for the remaining bill cycle/validity period. Normal speed will be restored in next bill cycle or activation.

Prices of different Internet Packages

Package	Package Tariff without VAT	Browsing Charge	Fair Usage Policy
P1 (Minipack Pay Per Use)	not more than BDT 20/Day	Tk0.02/KB up to a maximum of Tk20/Day, between 12am-11.59pm daily	After 10MB Usage
P1 (Pay as you Go)	N/A	BDT 0.02/KB	N/A
Heavy Internet browsing Package P2 (FUP Enforced after 5GB)	BDT 850/Month	N/A	After 5GB Usage
Night Time Heavy Internet browsing Package P3 (FUP Enforced after 5GB)	BDT 250/Month	from 10:01AM-11:59PM, browsing charge will be pay-as-you-go tariff Tk 0.02/KB	After 5GB Usage
Daily 150MB Package P4(Daily)	BDT 60/Day	N/A	After 150MB
3GB Package P5 (3GB)	BDT 700/Month	After expiration of 3 GB, subscriber will be charged as BDT 0.01/10KB without VAT	N/A
1GB Package P6 (1GB)	BDT 300/Month	After expiration of 1 GB, subscriber will be charged as BDT BDT 0.01/10KB without VAT	N/A
Minipack 15MB	BDT 29/15 Days	Postpaid subscribers will be charged BDT 0.01/10KB without VAT till expiration date after volume usage of 15MB	N/A
Minipack 99MB	BDT 99/15 Days	Postpaid subscribers will be	N/A

Package	Package without VAT	Tariff	Browsing Charge	Fair Usage Policy
			charged BDT 0.01/10KB without VAT till expiration date after volume usage of 99MB	
Minipack 3MB	BDT 9 for 3 Days		Edge will be deactivated after volume consumption of 3MB	N/A

Table 6: Prices of EDGE Packages

03.2. Kaspersky Internet Security

1. Internet Security for Large Screen: This is for protection of Desktop/Laptop PCs. 2 (two) types of Kaspersky Lab boxes for your Desktop/Laptop PCs:

Kaspersky Internet Security 2011: For 1 PC or 1 user with 1 year license.

Kaspersky Internet Security 2011: For 3 PCs or 3 users with 1 year license

2. Internet Security for Small Screen: This is for protection of your Mobile (Smart phones). Kaspersky Lab box for your Mobile/Smartphone:

Kaspersky Mobile Security 9.0: For 1 Device or 1 user with 1 year license.

3. Internet Security for Small Office: Small office owners may buy this packet version internet security to protection office workstations and file server. 2 (two) types of Kaspersky Lab boxes for your office workstations:

Kaspersky Small Office Security: For 5PCs or 5 users and 1 Windows File server with 1 year license.

Kaspersky Small Office Security: For 10PCs or 10 users and 1 Windows File server with 1 year license.

03.3. Web SMS

WebSMS Service is an internet based SMS service. Using WebSMS, registered Grameenphone subscribers can send SMS to a single or multiple recipients within Grameenphone network. Once you've logged on, you can send online SMS straight from the interface. It's the perfect service to communicate with your friends and family- wherever you may be. Forget the small keypad - send messages from any online computer.

03.4. Internet SIM

Internet SIM is a SIM card that allows you to use internet and avail data services. Using this SIM you can send or receive SMS and also can avail voice service from I -SIM (Prepaid) only but voice service is barred in I SIM (Post-paid)

FEATURE

-You need an EDGE/GPRS modem of any brand to use this SIM.

-If you use this SIM with Grameenphone Internet Modem, there will be no hassle as it is pre-configured.

-Grameenphone Internet SIM prepaid users will be able to make call from their Internet SIM as well. The voice features and tariff of call made will be similar to Shohoj package; migration from I-SIM (prepaid) to any other package will not be possible right now.

-Subscriber needs to use BDT 600 within one year after purchase in order to do the balance transfer.

Price:

Product	Price
I-SIM (Pre-paid)	BDT 150
I-SIM (Post-paid)	BDT 200

Table 7: Price of Internet SIM

03.5. Modem

Grameenphone has introduced a new generation high-speed Internet modem capable of supporting GPRS/EDGE/UMTS/HSDPA. This is a multi-mode wireless terminal with which you can browse Internet, send/receive messages/emails and use voice services without requiring wired connections. The new Grameenphone Internet Modem is a faster, reliable and easy to use device. A lanyard attaches the modem to its cap, eliminating any chance of losing the modem cap.

Smart modem comes with the following features:

- The sleek & EDGE/GPRS/GSM 1900/1800/900/850 MHz
- Windows 7/Vista/XP/2000 & Mac OS up to 10.6
- Micro Secured Digital Memory (Micro SD) Card up to 8GB
- Standard USB interface
- Plug & Play
- Default GP configuration / settings
- Customizable Dashboard including GP Logo
- SMS services & Phonebook Option

- SIM and micro SD insertion is very easy
- Micro SD works during connection to Internet

Price: Now Grameenphone Internet modem is available for BDT 2,565 only. The price of prepaid Internet SIM is BDT 150 and post-paid is BDT 200.

The modem comes with one-year replacement warranty and very efficient & promising after sales service. Customers can avail after sales service from Grameenphone Centers & service touch point.

03.6. Opera Mini

Opera Mini is the world's most popular mobile browser. It provides the best experience for mobile phones and has over 90 million active monthly users in 195 countries. Opera mini is compatible with more than 3000 different handsets including smart-phones and feature phones.

Opera Mini Features

Opera has its own data optimization solution and hence this browser reduces web pages up to 90 percent of their size, making web surfing from mobile cheaper and faster. Opera mini offers a good user experience through its features such as instant access to your favorite websites through Speed Dials multitask with tabs, capability to read the largest pages comfortably and get a better view by making the most of the mobile screen. To learn more about Opera mini, anyone can visit www.operamini.com.

03.7. Handset Settings

Available Devices:

- iphone/ipad
- Android Devices
- Windows Mobile 7 Devices
- All other Branded Device excluding Chinese Non-brand Devices



03.8. Black Berry

1. Features

- Mobile Email:

Can be experienced instant business communication with mobile email. You can use up to 10 email accounts, combining your business and personal correspondence. You no longer need a computer to view your emails- they are automatically 'pushed' straight to your Blackberry handheld. BlackBerry® integrates your corporate and personal email accounts seamlessly, offering a simple and secured way to communicate using GPRS/EDGE.

- Browse:

Get connected to the internet from your BlackBerry®. Search and get necessary information, updates and news from the internet anytime, anywhere.

- Instant Messaging:

Send instant messages anytime, anywhere with BlackBerry® Messenger! It is fast, convenient, efficient and modern. Just log in to chat (BlackBerry® to BlackBerry®) with your friends, family and co-workers and be in touch with them.

- GPRS Roaming:

Call, chat, mail and browse using your own Grameenphone number around the world with your BlackBerry®. Get involved in every decision making process by staying connected with your business all the time. Be in the loop, always. Please avail Grameenphone International Roaming service to enjoy GPRS Roaming from your BlackBerry.

2. Services

BlackBerry Enterprise Service (BES)

BlackBerry Internet Service (BIS)

03.9. GP International Roaming

In March 1999, Grameenphone introduced this premium service for the first time in Bangladesh and now provides International Roaming service to its own subscribers traveling abroad as well as to foreign operators' subscribers traveling in Bangladesh. For the first time in Bangladesh in July 2006, Grameenphone launched Roaming Services (both GSM and EDGE/GPRS) with CAMEL Phase II for Pre paid In-bound subscribers.

Grameenphone has unique 'One to One' relationship with all its International Roaming partner operators. As of November 2010, Grameenphone has more than 380 GSM partner operators in over 120 countries in 6 continents and 176 EDGE/GPRS partner operators in 60 countries.

1. Benefits:

- Coverage in more than 380 operators' networks in 120 countries.
- Unique Simpler tariff – “One Country, One Rate”.
- EDGE/GPRS Roaming Services (Email, Internet Browsing Download, MMS)
- No Use, No Pay - NO Monthly Access Fee.
- 'Zero' Security Deposit for Corporate Special Subscribers*
- Free Ownership Transfer (if required for IR subscription)
- Free Monthly Itemized Bill
- IR Usage, Bill Payment Information through SMS from home abroad
- IR Hotline accessible both from home (121) and abroad (+8801700100121)
- Useful information through Push-Pull SMS
- Dedicated IR Customer Management Team
- Direct Communication with each IR subscriber for individual queries and complaints

2. Features:

- Post-paid Standard Roaming
- SMS Roaming
- EDGE/GPRS Roaming (Only for Post-paid subscriber)
- Pre-paid Standard Roaming
- In Flight Roaming
- Maritime Roaming

03.10 Mobile Services

Services	Description
Call Block	Call Block Service enables subscribers to easily block unwanted calls to their mobile phones anytime, anywhere through its Blacklist feature. Recently, Grameenphone has also introduced the White list feature to allow only certain numbers to be able to call the subscriber, keeping all other callers blocked.
Friends & Family	The friends and Family feature comes with lower tariff so that you can call and always stay in touch with your near and dear ones.
Missed Call Alert	Missed Call Alert service provides the facility to the subscribers to get notified about the calls that they missed due to keeping the phone switched off or being out of network. Subscribers will be notified for Missed Call Alert through SMS.
Mobile Backup	Mobile Backup is a service that ensures a safe and secure way of storing important data of your mobile phone including Contacts, SMS, Photos, Music, etc. The Mobile Backup service saves your mobile phone's data to secure server of Grameenphone, and also enables you to restore the saved data back in your phone, whether it is new or existing.

MMS	Multimedia Messaging Service (MMS) is an exciting way to share special moments with your dear ones. You can customize your messages with texts, pictures, animations, music, video clips (Up to 100 KB).You can even send pictures and video clips to e-mail addresses.
Voice Mail	When you are unreachable or unable to answer your calls within 20 seconds, the service will automatically divert the call to your voice mail. You will receive a SMS notifying you that you have a message and you may retrieve it at a convenient time.
Pay For Me	A GP subscriber can call another GP subscriber through Pay For Me service even if the caller does not have sufficient balance.
Flexiload	Grameenphone was first in Bangladesh to introduce the innovative electronic bill payment system Flexiload, for our valued subscribers.
Balance Transfer	Mobile to mobile money transfer system. Possible from pre-paid to pre-paid and pre-paid to post-paid
Vehicle Tracking	Vehicle Tracking service is a GPS based vehicle tracking solution that provides instant location information to the vehicle owner/authorized person through web/SMS with other flexibilities.
Voice SMS	A service which enables a GP subscriber to record a message or greeting and send it instantly via SMS.
International SMS	International SMS is a very useful service that allows you to exchange SMS with your friends, family members in foreign countries. Currently, Grameenphone covers 188 countries, 542 operators around the world.
International MMS	International MMS is a very useful service that allows you to exchange MMS with your friends, family members in foreign countries. Currently, Grameenphone covers 41 countries, 73 operators around the world.
Ebill	ebill - a new dimension of postpaid bill distribution was introduced by Grameenphone where customers can receive their mobile phone bills through email after bill generation.
Service	Description
Facebook SMS	With the facebook SMS, One can use facebook's basic functionality like status update, send friend request, search friend etc through the SMS without internet connectivity.
Buddy Tracker	GP has introduced Buddy Tracker service so that we can track pour friends, family members and near & dear ones anytime we want,
Quick Search	Quick Search enables Grameenphone subscribers to execute Internet based searches even if they do not have Internet access in their mobile. Subscribers with Internet access can also use the service through a mobile based Java application.
Smart Load	Recharge to other GP prepaid numbers from your number is now much easier with "Smart Load". Through this service any GP prepaid subscriber will be able to recharge any amount through scratch card to any GP other prepaid number from his/her prepaid number.

Table 8: VAS, Ref: Website of GP, Link: <http://www.grameenphone.com/products-and-services/mobile-services>

2.6 Grameenphone - Product Line and Product Mix

Product line is a group of related products manufactured by a single company. PRODUCT MIX involves planning and developing the right type of product that will satisfy fully the needs of customers. A product has several dimensions. These dimensions are collectively called product mix.

Below the product line and product mix of Grameenphone are separately identified:

Product Line	Core Product (SIM Packages)		EDGE Packages		Value Added Services	Handsets
Product Mix	Pre-paid SIM	Post-paid SIM	Unlimited	Fixed	Welcome Tune	Q100
	Smile	Xplore	P1	P4 – 150 MB	MMS	
	Aapon	Business Solution			Information Service	
	Djuice		P5 – 3GB	Music News		
	Bondhu		P6 – 1GB	Missed Call Alert		
	Shohoj				Call Block	Djuice Shake
	Spondon	Ekota	P2	P7 – 15MB	Music Radio	
	Village Phone				Stock Update	
		Public Phone			Net Content	
	Public Phone			P9 – 99 MB	Health Line	
		Village Phone			Job Alert	
	Ekota		P3		Study Line	Crystal
	Business Solution			P10 – 3 MB	BBC Janala	
				Music 4 u		
Internet SIM	Internet SIM		P11 – 1 MB	Mobile Backup Voice SMS & SMS Chat		

Table 9: Product Line and Mix, Ref: Website of GP, Link: <http://www.grameenphone.com/products-and-services/packages>

2.7 Marketing Channels of Grameenphone

Avenues used by marketers to make products available to consumers are known as marketing channels. Wholesalers, distributors, sales agents, retailers, and all other sources used in getting the product to consumers are included in the category of marketing channels.

Bellow the marketing channels of Grameenphone Telecom are briefly described;

1. Wholesalers/ Centers:

Grameenphone Centers (GPCs) work as whole seller as they sells SIMs, handsets and now a day EDGE packages also. They also help subscribers in case of any sorts of SIM of EDGE related problem, like SIM replacement or manual hand set configuration settings to use Internet.

2. Distributors/ Dealers:

Dealers work as distributors. They distribute products to many other Grameenphone Center Franchisees (GPCFs) and retail stores also carry products from here. Most of the cases they maintain the balance of Flexiload amount among various retailers. They work as a bridge between Grameenphone and retailers. Sometimes, they act as updates informer to the retailers in case any changes occurs. Many advertising plan activities Grameenphone delivers to the retailers through dealers.

3. Sales Agents:

Sales agents are not very frequent instrument. When any new campaigns are made extended work force may needed. At that specific time being new or pre-selected human resource may be recruited.

4. Retailers:

Retailers are the most important part of marketing chain. Reason is they are keeping relationship on behalf of Grameenphone with the subscribers. Through flexiload, new information, new offer, some vas executions are making people connected to the retailer as well as to Grameenphone. As it is not possible to be connected with subscribers by opening GPCs in every locality, Grameenphone stays connected to the subscribers as the retailers are working as representative of Grameenphone.

Grameenphone Marketing Channels Chart:

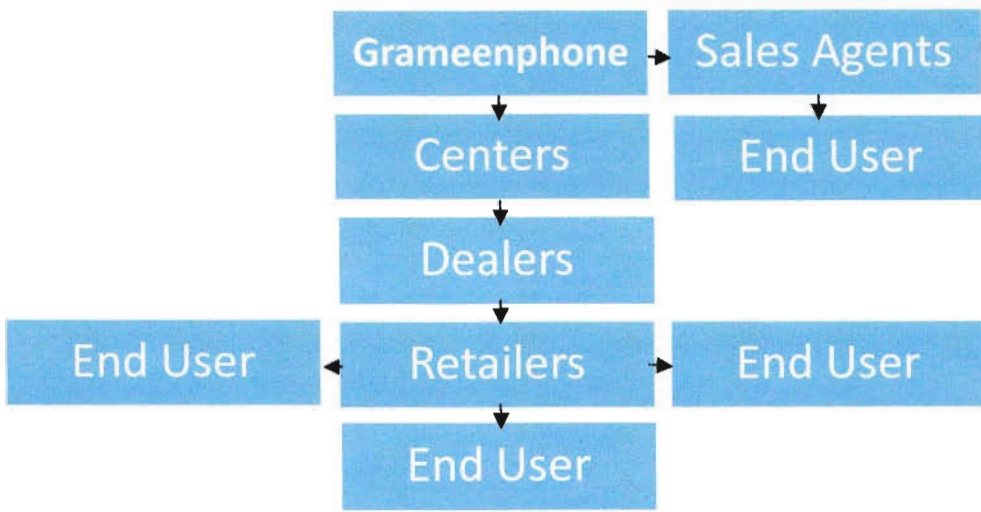


Figure 8: Marketing Channels of Grameenphone



Chapter 3: An Appraisal of Financial Performance of Grameenphone Ltd.

3.1 Total and Product Wise Sales Volume

Greater sales volume represents better ability to produce and shows more efficiency. Below the sales volume is mentioned from the year 2007 to 2010 cordially.

Year	Total Sales in BDT	Growth Rate
2007	54,303,145,932	-
2008	61,358,978,118	13%
2009	65,299,567,088	6.42%
2010	74,733,076,434	14.5%

Table 10: Sales and Growth Rate; Ref: Income Statements from AR of GP 2007-2010

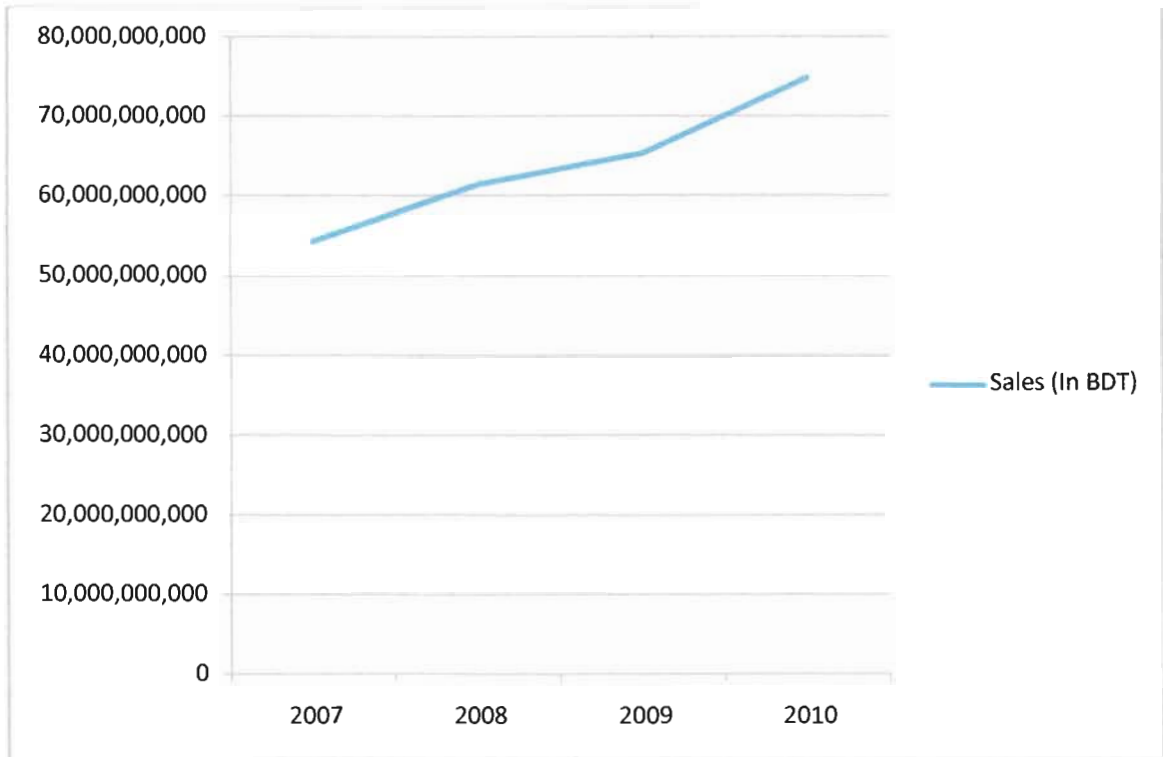


Figure 9: Sales for the Year 2007-2010

Compare to the sales volume among the years from 2007 to 2010, the highest sales volume came on 2010 and it was valued by BDT 74,733,076,434. Comparatively lowest volume came out from the year 2007 which was valued by BDT 54,303,145,932. The trend is showing an upward pressure from earlier to recent sales amount.

After the calculation of the Sales Growth Rate, we can see a different scenario. It is seen that though sales volume increased in each year from 2007 to 2010, but the sales growth did not increase at the same rate. In fact, it dropped significantly in 2009 from 13% to 6.42%. But company got back its acceleration and in 2010 the growth rate reached at 14.5%. It indicates that though company was successful to increase its volume of sales but it was not efficient enough to enhance its growth rate in the year 2009.

3.2 Operating Expenditure

Operating expenditure is a category of expenditure that a business incurs as a result of performing its normal business operations. One of the typical responsibilities that management must contend with is determining how low operating expense can be reduced without significantly affecting the firm's ability to compete with its competitors.

Operating expenses	2007	2008	2009	2010
General and administrative expenses	5,147,696,933	6,361,967,642	6,593,087,935	8,634,334,234
Selling and distribution expenses	6,660,418,402	5,875,351,653	3,474,969,079	8,487,233,821
Bad debt expense	135,290,267	243,583,871	-	-
Depreciation and amortization	<u>1,273,650,776</u>	<u>1,811,925,203</u>	<u>1,678,664,554</u>	<u>1,461,626,378</u>
Total Operating Expenditure	<u>13,217,056,378</u>	<u>14,292,828,369</u>	<u>11,746,721,568</u>	<u>18,583,194,433</u>
Growth Rate	-	8.14%	- 17.81	58.20%

Table 11: Operating Expense for the Year 2007-2010, Ref: Income Statements from AR of GP 2007-2010

Grameenphone need to plan its operation infrastructure in such a way by which the operating expenditure becomes less, because it has direct impact on gross profit. By increasing this expenditure figure the gross profit will be less.

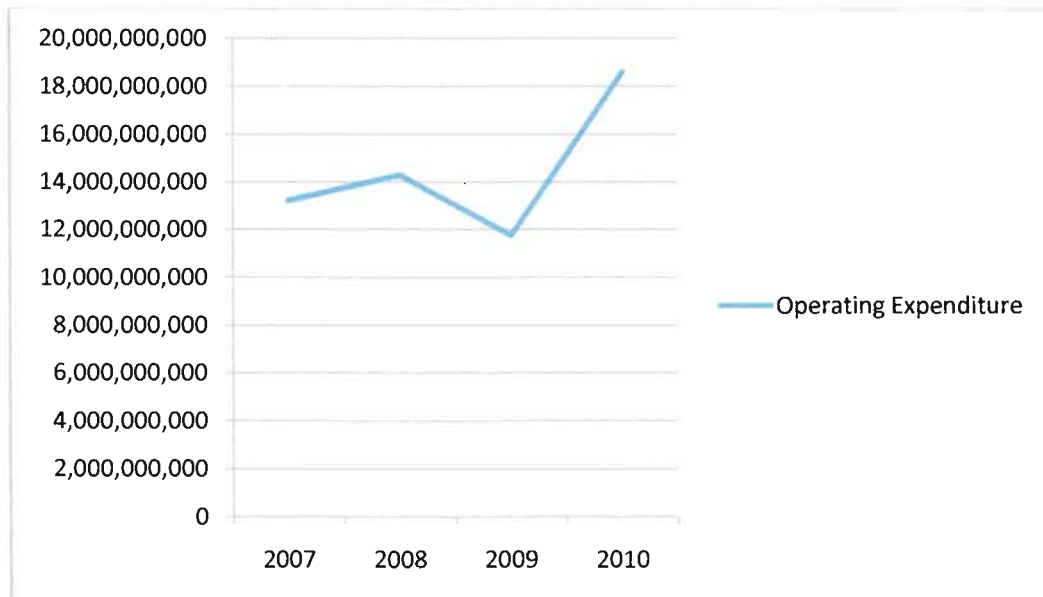


Figure 10: Operating Expense for the Year 2007-2010

From the table 11 and figure 10 & 11, it is seen that in the year 2009 Grameenphone held the lowest operating expense. If we see the Bad Debt Expense portion, there were no Bad debt expenses in the years 2009 and 2010. That means Grameenphone was successful to collect all its account receivables. In the year 2009 all sort of expenses was lowest compare to other three years. That is why, in this year the expenses were low and the year had a negative growth rate. But in 2010 company had highest expenses on,

- General and Administrative purpose
- Selling and Distribution purpose

So though there were no bad debt expenses in 2010, there occurred the highest expenses among the all four years.

The growth rate of operating expenses for year 2008 to 2010 was maximum in 2010 (58.20%) and minimum in 2009 (-17.81%).



3.3 Operating Revenue

Income derived from sources related to a company's everyday business operations. By examining a company's operating, or "regular," revenue an investor can often gain meaningful insights into the health of a business, especially since fading companies often sell underperforming stores and/or assets, making the income statement look more attractive than it might otherwise be.

Year	Operating Revenue (In BDT)	Growth Rate
2007	54,303,145,932	-
2008	61,358,978,118	13%
2009	65,299,567,088	6.42%
2010	74,733,076,434	14.45%

Table 12: Operating Revenue and Growth Rate for the Year 2007-2010; Ref: Income Statements from AR of GP 2007-2010

In 2010 Grameenphone had maximum and in 2007 it had earned minimum revenue among the years from 2007 to 2010.

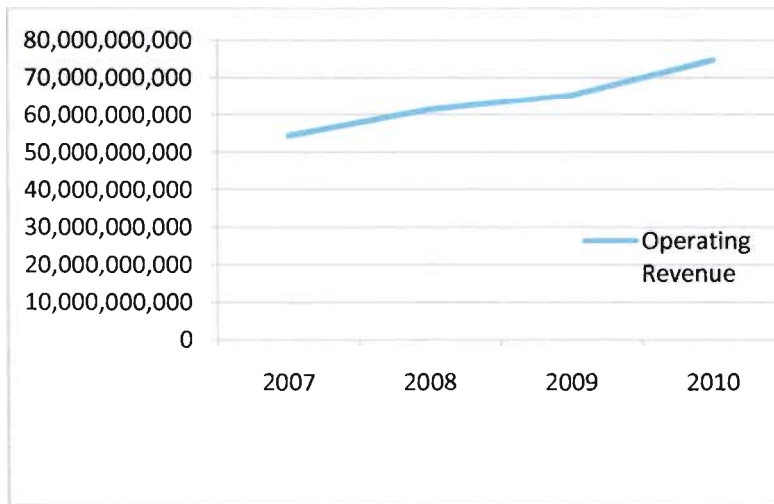


Figure 11: Operating Revenue for the Year 2007-2010

From the graph it is very easy to notice, that from the year 2007 to 2010 the Operating Revenue progressively increased. From the year 2007 to 2010 it increased by BDT 20,429,930,500.

As the sales volume increased every year, so the revenue increased. But the fact is, company could not use its occupied efficiency in the year 2009 which is showed in Figure 13. But in the year 2010 it over came on its previous practice of sales, so that the revenue growth rate crossed the rate of 2008 by 1.45% which is a good indication for future growth.

3.4 Net income

Net income is calculated by starting with a company's total revenue. From this, the cost of sales, along with any other expenses that the company incurred during the period, is removed to reach earnings before tax. Tax is deducted from this amount to reach the net income number. Net income, like other accounting measures, is susceptible to manipulation through such things as aggressive revenue recognition or by hiding expenses. When basing an investment decision on net income numbers, it is important to review the quality of the numbers that were used to arrive at this value.

Net Income: Income Statement From 2007 – 2010

Year	Net Income (In BDT)	Growth Rate
2007	3,059,840,018	-
2008	2,983,866,587	-2.5%
2009	14,968,166,256	400%
2010	10,705,351,608	-28.5%

Table 13: Net income Growth Rate for the Year 2007-2010, Ref: Income Statements from AR of GP 2007-2010

From the year 2007 to 2008 the income was dropped by very short portion. In the year 2009 because of huge cost cutting company had highest net income over other three years. But it dropped again in 2010.

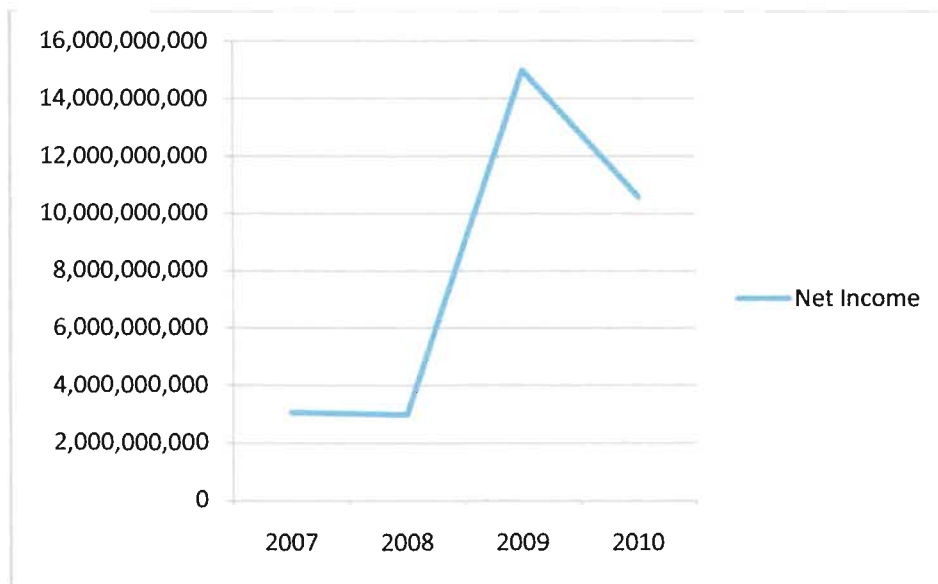


Figure 12: Net Income for the Year 2007-2010

From the statement it is seen that Net Income was more or less similar, it decreased by only BDT 75,973,431. But it increased with an accelerated volume in the year 2009 by BDT 11,984,299,670.

The minimum expenditure in 2009 made this year of highest growth rate (400%) for net income among the years 2007, 2008 and 2010. Then it decreased by some amount on 2010. Though the year 2008 had negative net income growth rate (-2.5%), but the 2010 turned into extremely low growth rate (-28.5) because of highest expenditure which was the minimum growth rate.

Company has to concentrate more on general & administrative and selling & distribution expenditure, if it wants to increase its future growth rate. On the other hand company has to be careful about any occurrence of bad debt expenses.

3.5 Return on Asset (ROA)

ROA measures the efficiency of firm to utilize its assets to generate revenue and return available to the capital providers.

$$\text{Return on Asset} = \frac{\text{Net Income}}{\text{Total Asset}}$$

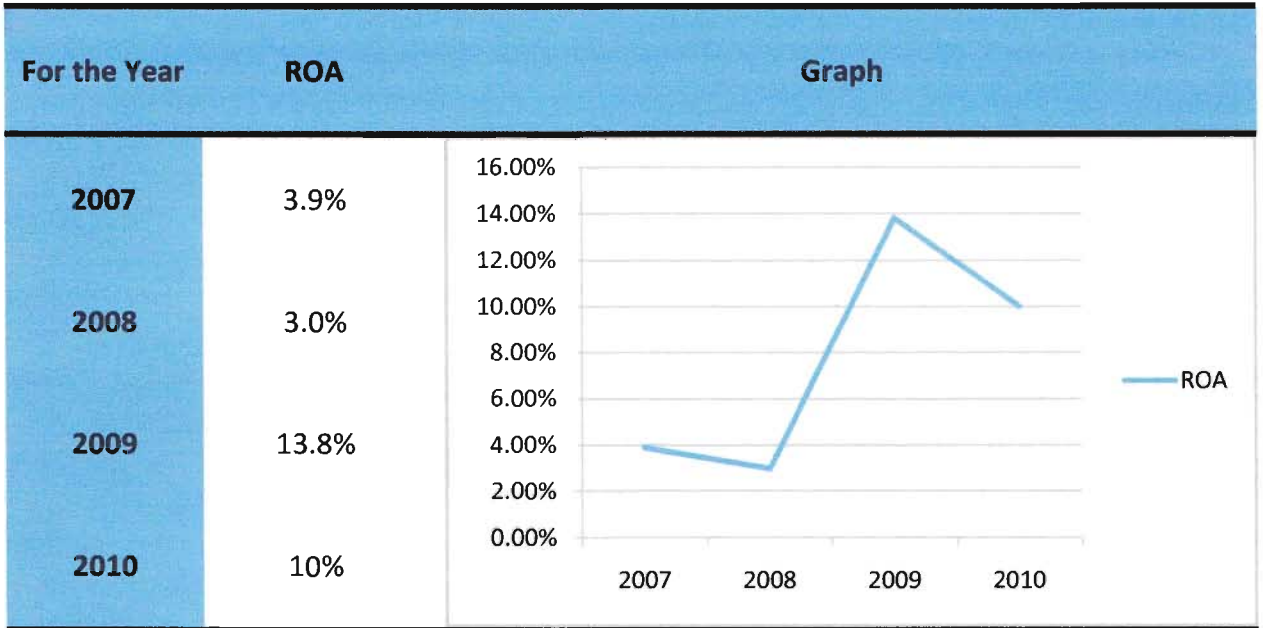


Table 14: ROA for the Year 2007-2010; Ref: AR of GP, Page: 42

Grameenphone had highest ROA in 2009. In 2007 to 2009 it declined but in 2009 it showed highest efficiency to generate revenue utilizing its assets. But in 2010 it dropped again. From Table 14 we can see that from the year 2007 to 2010 the asset of the company increased at a continuous basis. Though there was a fluctuating ratio of ROA among all the years, in 2009 company used its asset in most efficient manner when it had the highest ROA of 13.71%. In 2010 it lost its efficiency by some portion because of highly expenditure and it causes ROA of 9.78%. But it was significantly low in 2008 (2.76%). That means, company could not utilize its assets compare to the other four years.

3.6 Return on Equity (ROE)

ROE is an abbreviation for return on equity, which is a measure of a company's profitability. Essentially, ROE reveals the profit a company generates using the money that shareholders have invested in the company. ROE lets investors know how well their money is being utilized. ROE can be computed by taking a company's net income for a given period and dividing it by shareholder's equity. In addition, ROE may also be calculated by dividing net income by average shareholders' equity (shareholders' equity at the beginning of a period plus shareholders' equity at the end of a period divided by two). ROE is a useful tool for comparing the profitability of a company with others in the same industry. Growth investors tend to lean towards a company that has a high and growing ROE. A company that shows repeatedly poor ROE figures is likely to be struggling.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholders Equity}}$$

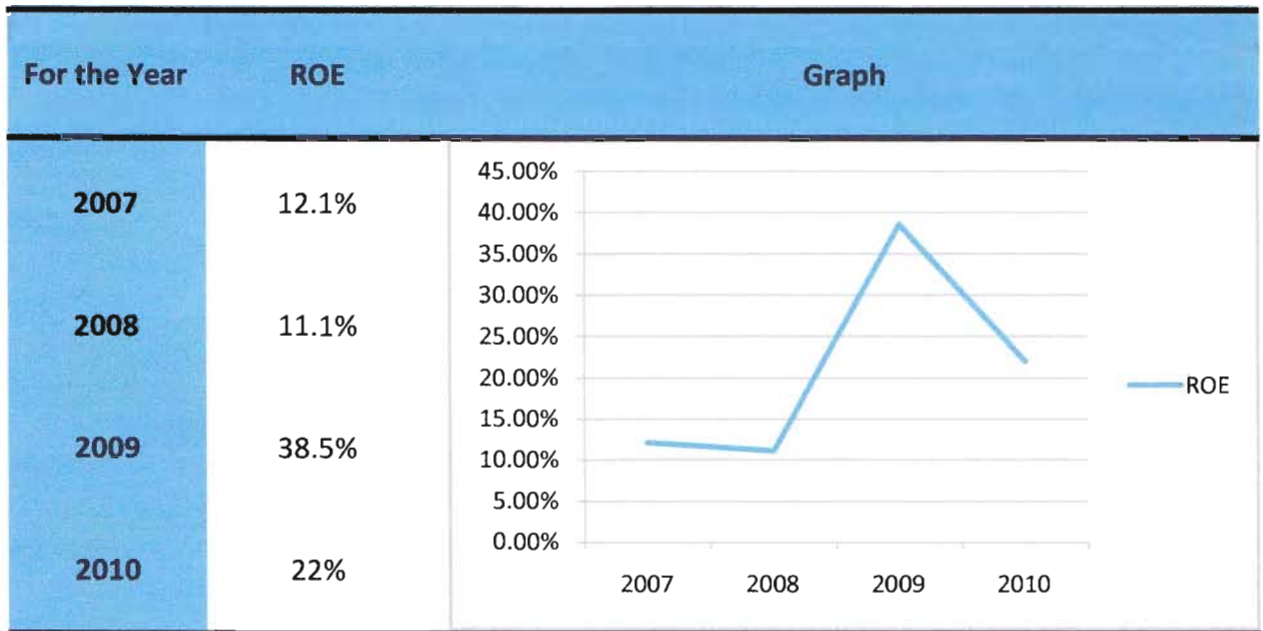


Table 15: ROE for the Year 2007-2010; Ref: AR of GP, Page: 42

From Figure 16, we can see that in 2009 the company generated highest profit using the money shareholders invested in the company and showed 38.5% of ROE. In the next year 2010 ROE decreased by 16.5%, that showed a hint to lack of efficiency using shareholders equity. But it was much better than the ROE of 2007 (12.1%) and 2008 (11.1%). Compare to 2007 and 2008 in the years 2009 and 2010 company gained extreme efficiency, so that they earned higher return from the investment of the shareholders.

The firm has very high ROE in 2009 which is 29.84%. ROE is higher in those years when ROA increased. Though the company had fluctuating ROE ratios in between 2007 to 2010, but compare to earlier two years it had better ROE position on recent two years.



3.7 Earnings Per Share (EPS)

This ratio shows earning per share available to the shareholders. Investors use EPS to measure the value of the stock. Because it depends of Net Income it receives so much attention from the investors.

Earnings Per Share= _____

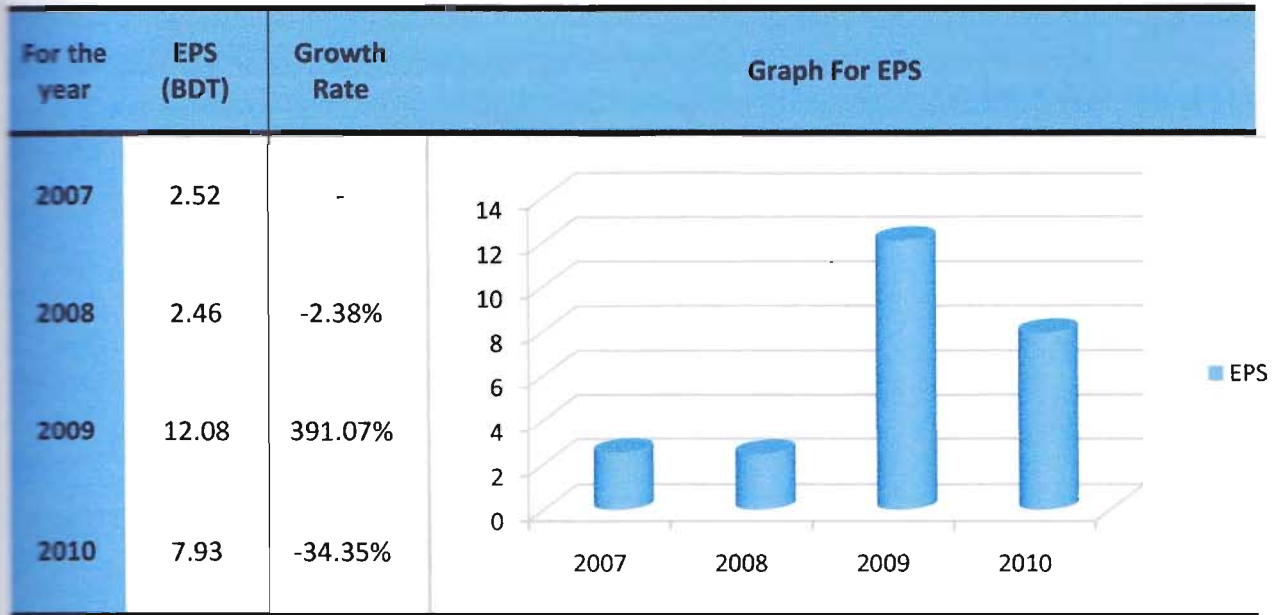


Table 16: EPS for the Year 2007-2010; Ref: AR of GP, Page: 42

In 2009 Grameenphone had the highest EPS with BDT 12.08, which is a very good indicator. In 2010 it dropped a bit, but moreover it was better than year 2007 and 2008.

Here, we can see that, the growth rate of EPS decreased more in 2010 rather than 2008. But it had highest growth rate of 391.07% in 2009 which was the best acceleration within 2008 to 2010. As net income was low in 2007 and 2008 because of low sales volume, the EPS was lower than 2009 and 2010 EPS. In 2009, along with lower expenses, as it was efficient to cut cost, it had higher sales volume which made the highest EPS (BDT 12.08) on 2009 among all the four years. In 2010 the EPS again dropped by a little portion of BDT 4.15, which was caused by the higher expenses.

3.8 Price Earning (P/E) Ratio

The most common measure of how expensive a stock is. The P/E ratio is equal to a stock's market capitalization divided by its after-tax earnings over a 12-month period, usually the trailing period but occasionally the current or forward period. The value is the same whether the calculation is done for the whole company or on a per-share basis. For example, the P/E ratio of company A with a share price of \$10 and earnings per share of \$2 is 5. The higher the P/E ratio, the more the market is willing to pay for each dollar of annual earnings. Companies with high P/E ratios are more likely to be considered "risky" investments than those with low P/E ratios, since a high P/E ratio signifies high expectations. Comparing P/E ratios is most valuable for companies within the same industry. The last year's price/earnings ratio (P/E ratio) would be actual, while current year and forward year price/earnings ratio (P/E ratio) would be estimates, but in each case, the "P" in the equation is the current price. Companies that are not currently profitable (that is, ones which have negative earnings) don't have a P/E ratio at all. P/E ratio also called earnings multiple.

$$\text{P/E ratio} = \frac{\text{Market Price Per Share}}{\text{Earnings per Share}}$$

$$\text{For a specific year P/E Ratio} = \frac{\text{Stock's Market Capitalization}}{\text{After-Tax Earnings Over A 12-Months Period}}$$

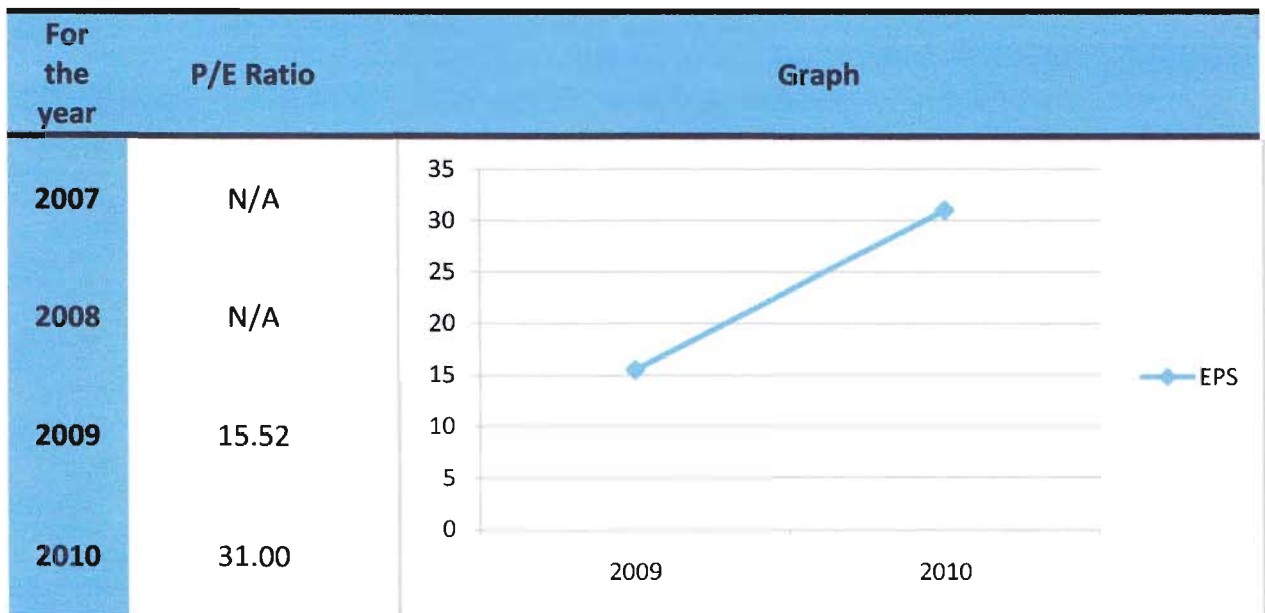


Table 17: P/E Ratio for the Year 2007-2010; Ref: Website of DSE, Link:<http://www.dsebd.org/displayCompany.php?name=GP>

From the Table it is seen that, in the year 2008 P/E ratio was 15.52, which means that buyers are willing to pay BDT 15.52 to earn BDT 1. So far it was a good start for Grameenphone and in next year 2010 company's P/E ratio became much higher than the previous year with P/E Ratio of 31.00. Though company had fluctuating growth rate of sales, revenue and net income, but from 2007 to 2010 company had increasing volume in sales, revenue and net income. As a result people took it as a good indicator of company's future prospect and Growth rate became 99.74% from 2009 to 2010.

3.9 Dividend Payout Ratio

The percentage of earnings paid to shareholders in dividends. It is the Dividends paid divided by company earnings over some period of time, expressed as a percentage.

$$\text{Dividend Payout Ratio} = \frac{\text{Dividend Per Share}}{\text{Earning Per Share}}$$

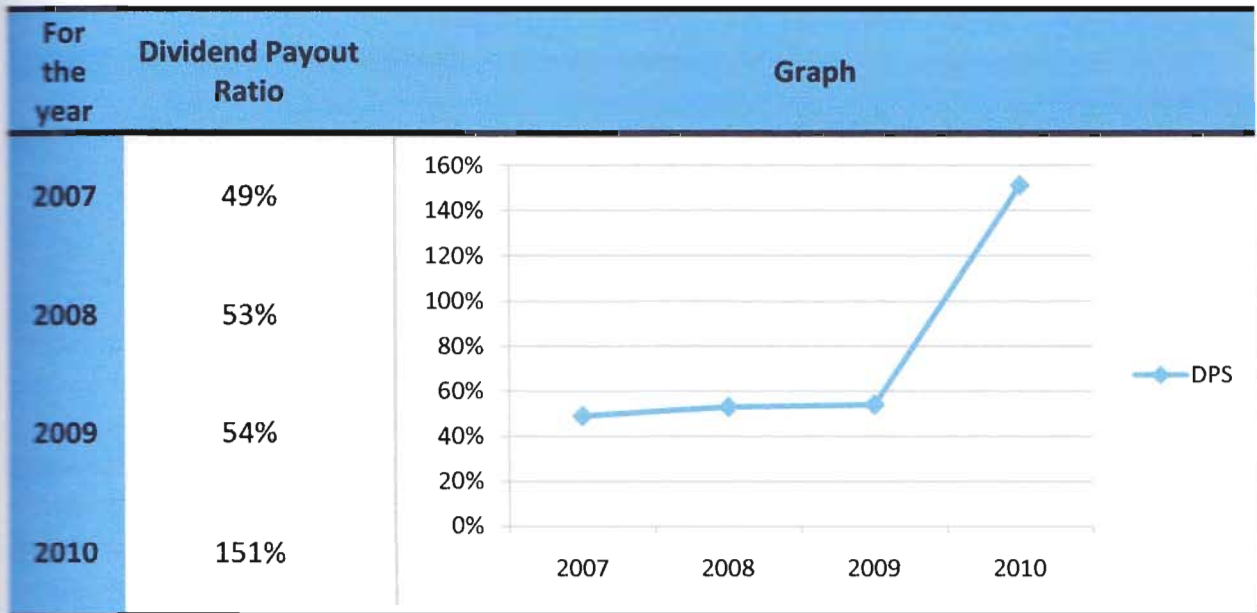


Table 18: Dividend Payout Ratio for the year 2007-2010; Ref: AR of GP, Page: 42

Over the time from 2007 to 2010 the Dividend Per Share was gradually increased. From 2007 to 2009 it increased at a moderate speed. But in 2010 it accelerate highly, which is commonly good from the investors perspective.

As earnings gradually increased, it is general that the dividend payout ratio will increase.

3.10 Dividend Per Share (DPS)

DPS is the the sum of declared dividends for every ordinary share issued. It is the total dividends paid out over an entire year (including interim dividends but not including special dividends) divided by the number of outstanding ordinary shares issued.

DPS = $\frac{D - SD}{S}$ D –Sum of dividends over a period (usually 1 year)

SD - Special, one time dividends

S - Shares outstanding for the period

For the Year	Dividend Rate	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2007	62%	26.66	43.00	Cash
2008	13%	0.13	1.00	Cash
	400%	-	-	Bonus Share
2009	60%	6.00	10.00	Cash
2010	85%	8.50	10.00	Cash

Table 19: Dividend Per Share for the Year 2007-2010; Ref: AR of GP, Page: 137

In 2008, Grameenphone capitalized a portion of its retained earnings through the issuance of bonus shares. The issuance was approved by their shareholders at the Extra-Ordinary General Meeting of shareholders and subsequently by the Securities and Exchange Commission.

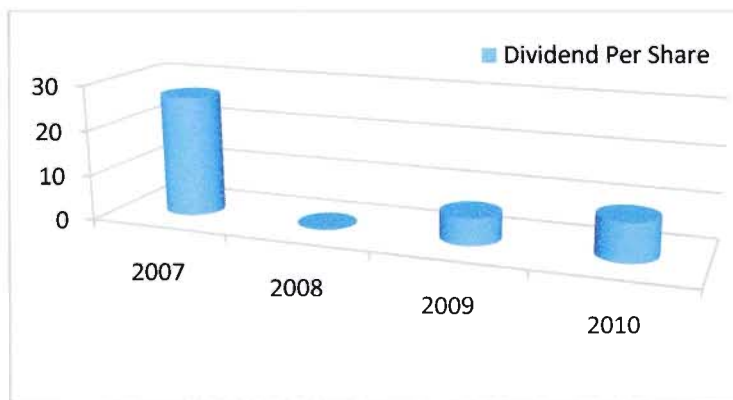


Figure 13: Dividend Per Share for the Year 2007-2010

Paying higher dividend is commonly desirable to the investors. From that perspective the scenario of the year 2007 was most desirable, which suddenly felt in the year 2008. But gradually it started to increase again. But sometimes firm take decisions like giving bonus share or reinvestment. That decision comes from along with investors opinions. Basically an example like this reflects on the year 2008. But 2009 and 2010 is has showed an upward trend of Dividend Per Share where it increased BDT 2.50.

Chapter 4: Problems of Grameenphone Ltd. & Suggestions

4.1 Problems Relating the Corporation

Grameenphone is one of the most prominent and prestigious firm in Bangladesh. It has always a very good empathy and fine concern on its employees. However there are some problems regarding corporation. Some are mentioned bellow;

-As telecom industry consist a very diminutive area, the competition inside the corporation among employees as well as departments is significantly high.

-The promotion growth is very much deliberate.

-In some departments the work description is created in such manner that there is very little change to maintain their family and socio-cultural life for the employees. For example: Customer Service.

4.2 Problem Relating the Customer

Though Grameenphone is trying their level best to provide a highest level of service, there has some dissatisfaction in customers regarding Grameenphone. Some are discussed bellow;

-Though the call rate is comparatively much lower than ten years back, but still it is higher than the any other telecom.

-Till now company is not able to build the Grameenphone Center known as GPC which are directly controlled by the company in every locality. As a result, some individual owners franchise with Grameenphone and have built GPCF and those are available in almost every places. But the problem suffered by the subscribers is, in GPCF they are not provided by the solutions of any kind of problems. Some problems are very much technical and need a specialist to fix. But because of the lack of technical expertise subscribers are not getting their desired facilities sometimes.

-Some problems like voice network, EDGE network and some others may have technical difficulties some times, which need time to solve. But the time is so long from subscriber's end that makes customer dissatisfaction sometimes. Sometimes individual problems also take times to solve, which also creates same dissatisfaction level.



4.3 Suggestions for the Corporation

Here are some suggestions which can be helpful and effective for the development of the corporation;

-Switching departments based on employee's capabilities need to be smoother. This can accelerate his/her potentiality and work to enhance company's growth.

-If the level of work or line of work spreads then work opportunity will increase automatically. If that can make possible, employees will get the opportunity to work in different environments which will revive operational ability.

4.4 Suggestion for the Customers

Grameenphone tries to maintain its level of customer satisfaction and gives it as its highest priority. Though if some changes or improvement can be made, the satisfaction level of will be much higher.

-Service touch points need to be increased.

-technical experts should be available in every touch points, by which subscribers can solve any sort of problems.

-In case subscribers call in help line, their call optimization times or waiting times need to make shorter by developing technology, increase man power as well as resources.

-Need to charge a competitive call rate balanced with maintaining service level.

4.5 Conclusion

I have started with my study topic **“PERFORMANCE ANALYSIS OF GRAMEENPHONE”** and with the progress of this study finally I have reached at the end where I can say that, despite lot of resistances, lacking, challenges from the market, Grameenphone has successfully upholds its positive image of superior service provider and positioned itself as the market leader in telecom industry. Here I have mentioned comparison among four years performance on Grameenphone’s activity and financial report. So far, it has been seen that it has a very enhanced performance, though compare to record of 2009 all the years had bellow growth rate measured by financial ratios. But there was always a scope left to increase the revenue though Telesales and GP has to do it carefully, because in Bangladesh now each and every mobile operator are now trying to provide better service to get market share and customer switching rate is very high in here. So if GP can’t make this development inside of it than it would be very difficult for it to be the market leader. Proper understanding of customer need and technological improvement will definitely enhance its performance. And Customer Manager plays a significant role in building and maintaining profits. As a representative of the company they directly communicate various information with the subscribers. A little mistake can create big falls in the profits. Now in a day of globalization most of the customers evaluate the service of all competitors than made the final decision to purchase or retain. From my personal experience I can expect that if Grameenphone can overcome its limitations and continuously deliver on its promises to people, it can reach a level beyond imagination and customer managers can devote their effort to enhance the current and increasing revenues and performance as well.

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