Project paper
On

Prospects and Challenges of Business Process Outsourcing (BPO) Business in Bangladesh

Submitted To:

Controller of Examinations
National University
Gazipur-1704

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Program: MBA
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DIIT®
Daffodil Institute of IT

National University, Bangladesh

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Letter of Transmittal

05th April, 2023

Controller of Examinations

National University

Gazipur-1704

Subject: Submission of Project Paper.

Dear Sir,

This is my pleasure to submit the study report on "Prospects and Challenges of Business Process Outsourcing (BPO) business in Bangladesh" which I was assigned. This is a great chance for me to acquire knowledge and experience in respect of performing this report. This assigned to me as partial requirement for the competition of MBA program. Throughout the study I have tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions you have suggested. I tried my best to make this report as much information as possible. I believe that it will satisfy your requirements. However, I believe that this report will serve the purpose of my project submission program.

I gave my best efforts to achieve the objectives of this report and hope that my endeavor will serve the purpose. Besides, I have followed your remarks and instructions very carefully while preparing this report. I tried the best to maintain your schedule, format and discipline.

Thank you for your kind consideration.

Sincerely yours

_____

Neaz Mohammad Khan

Roll No.: 1920442

Registration No.: 18601000650

Session: 2018-2019

Program: MBA

Major: Finance

Daffodil Institute of IT (DIIT)

Supervisor's Declaration

This is to certify that Neaz Mohammad Khan, student of Master of Business Administration (MBA), major in Finance of Daffodil Institute of IT (DIIT) has completed his Project paper on Prospects and Challenges of BPO business in Bangladesh.

I believe that he has completed this project satisfactorily under my supervision as he partial fulfillment for the award of MBA degree.

I wish his every success in life.

_____

Prof. Dr. Mohammed Shakhawat Hossain

Principal

Daffodil Institute of IT (DIIT)

Student's Declaration

I hereby declare that the project paper on "Prospects and Challenges of Business Process Outsourcing (BPO) business in Bangladesh" includes the result of my own works, pursued under the supervision of Prof. Dr. Mohammed Shakhawat Hossain, Principal, Daffodil Institute of IT (DIIT).

I also like to declare that this report paper is my original work and is prepared for academic purpose which is a part of MBA program.

_____

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Acknowledgement

At first, I would like to thank almighty Allah for giving me the opportunity to prepare my project paper. I also want to thank all the people who have given their support and assistance and extremely grateful to all of them for the completion of the report successfully.

Preparing this report was exciting and hard work at the same time. It is for the first time that I have been able to gather real life experience working on a report.

I would like to give my heartiest gratitude to **Prof. Dr. Mohammed Shakhawat Hossain**, Principal, Daffodil Institute of IT, my internship supervisor, for his kind concern, valuable time, advice, endless endeavor and guidance throughout the internship period and making of the report. I like to give cordial gratitude to **Md. Omar Faruk**, Assistant Professor and Head of MBA Program, Daffodil Institute of IT (DIIT), all faculty members of Daffodil Institute of IT.

Abstract

In Bangladesh, many companies have been formed in accordance with the "Information and Technology Act". The IT Companies are now considered as the main source of earning foreign currency. It's creating opportunities for economic developments in the country. leverngear Ltd. is one of the promising BPO companies in our country. They follow the rules and regulations of the "Information & Technology Act and also the BACCO" act of our country. In this way we can say leverngear Ltd. And all other maintains strict procedures in their process. This way they do not compromise with service quality.

This is a descriptive type of study. For this report information comes from many other sources. Like the company websites and Google. These companies have some important recommendations in this report. Some are more sincere & cautious to reach more top-level buyers, the cost of the company cannot be changed frequently.

At introduction chapter we discussed about objectives of report, methodology of report, source of data, and limitation of the study. In chapter two gives on conceptual framework on prospects and challenges of BPO business in Bangladesh and other related issued. In third chapter discussed about prospects of BPO business in Bangladesh. The fourth chapter discussed about challenges of BPO business in Bangladesh. Then the fifth chapter discussed the findings, recommendations and conclusion of the project paper.

Table of Contents

Acronyms

BPO	Business Process Outsourcing
MBA	Masters of Business Administration
IT	Information Technology
DIIT	Daffodil Institute of Information Technology
HR	Human Resources
Ltd.	Limited
SMM	Social Media Marketing
SEO	Search Engine Optimization
ERP	Enterprise Resource Planning
ISP	Integrated Service Provider
FY	Financial Year
ICT	Information and Communication Technology
US	United States
UK	United Kingdom

List of Figure

Chapter: 1

Introduction

1.1 Definition of Outsourcing

The idea "outsourcing" came from an American Glossary. It is kind of a short form of 'outside resourcing'. "Outsourcing can be described as the contracting out of the company's major functions and activities to an external service or goods provider." It contains the contraction of a business procedure to another group of people which is also known as Business Process Outsourcing (BPO). In other words, "transferring various operations to outside suppliers rather than completing them internally. Outsourcing can be done in both domestic and foreign markets and always involves a third party." The meaning is to utilize external resources and expertise to improve a business. Outsourcing usually involves relocating employees and assets from one place or to be precise one firm to another, but not all the time. Outsourcing is also including the practice of offering public services to businesses corporations which usually are not the non-profit organizations.

Most of the times companies outsource their tasks to cut their costs. For instance, they give away their peripheral or "non-core" commercial expenditures, huge burden of tax, high energy charges, disproportionate government regulation and production which also includes labor expenses. The reason for such initiatives is taken to evade unusually high corporate taxes and mandated benefits. However, they do not outsource executive or managerial charge, or to be precise, they do not let go of their decision-making authorization. The aim is not to escape costs in general but to avoid definite types of costs. There are 4 types of outsourcing. The types are discussed below:

i.   Near-shore Outsourcing
ii.   Onshore Outsourcing
iii.   Offshore Outsourcing
iv.   Business Process Outsourcing (BPO)

I.   **Near-shore Outsourcing:** The practice of getting the work done by the neighboring countries are known as Near-shore Outsourcing. Corporations usually do this to lessen them costs. For example, America sometimes

outsources their work to their neighboring countries like, Mexico and Canada. Japan does the same thing with China.

II. **Onshore Outsourcing:** When the subcontractor is from the same geographical boundary, then it is called Onshore Outsourcing. For example, Grameen Phone appointed a 3rd party contractor to collect their unpaid postpaid bills, which was published on by The Daily Star on March 8, 2015 (http://www.thedailystar.net/gp-to-appoint-third-party-torecover-dues from-customers-7653).

III. **Offshore Outsourcing:** In this case, the main company outsource their tasks to other countries, which cannot be their neighboring country. Most of the time Offshore Outsourcing takes place for Information Technology (IT) related works.

IV. **Business Process Outsourcing (BPO):** Business process outsourcing (BPO) is the contracting of a definite commercial job, such as payroll, human resources (HR) or accounting, to a third-party service benefactor. Usually, BPO is applied as a cost-saving measure for tasks that a corporation or organization needs but does not depend upon to keep their position in the marketplace.

1.2 Objectives of the Study

Primary objective:

The main objective of this study is to discover the "Potentialities and any obstacles of BPO business in Bangladesh".

Secondary objectives:

1. The Project paper is a requisite for the completing of MBA program of Daffodil Institute of IT (DIIT) under National University.
2. To know about Business Process Outsourcing sector in Bangladesh.
3. To know about the financial benefits of this sectors.
4. To know about the Government intervention, facilities provided to this sector.
5. To determine the prospects of Bangladesh as IT outsourcing destination.

6. To recommend for further development towards the industry development factors.

1.3 Significance of the Study

The significance of this part is that it gives a good idea about the overall knowledge about the BPO sector. It also provides extensive idea about the organizational part and its performance in comparison with the industry performance. Therefore, it is obvious that the significance of Project paper is clearly justified as the crucial requirement of one year MBA program.

1.4 Methodology of the Study

An orderly procedure has been maintained from selection of the subject of the final report. Data has been sourced and collected, to achieve the objective of the research. They were to be characterized, examined, construed and presented in an orderly manner so that the major points can be found out. So, all the material has been gathered from primary and auxiliary sources. Most of the related data has been collected by working in the department and by discussing with the employees and managers. Few data have been sourced from the banks e-learning. I have also used my work experience to finish this report.

1.4.1 Primary Data:

➢ Primarily the data was collected by conversing with the staffs and employees of the company.
➢ Direct observations played a major role to support my learning and to find out more about the topic.

1.4.2 Secondary Data:

➢ Secondary data was assembled from the website of the organization.

- ➢ Related things were provided by the HR officer and managers.
- ➢ Some papers and data were given by my supervisor.
- ➢ Internet and from the website of LEVERnGEAR Ltd. were a great help as well.

1.5 Limitations of the Study

Few points can be jotted down, as a remark to the limitation of this study.

- ➢ The topic is relatively new.
- ➢ Insufficient data from companies.
- ➢ Sufficient materials as in books and journals were unavailable.
- ➢ The industry itself in a beginner stage.

Sometimes I had been told to perform few jobs without the explanation of my higher ups. This sort of situation left me in confused place, where I had to do those, but without knowing the actual facts.

Chapter: **2**

Conceptual Framework

2.1 Outsourcing Zone

Outsourcing has a broad line of divergence. If freelancer.com or upwork.com has been visited then a person would be able to see that, there is a long list of jobs divided in different categories to work within IT or ITES. Therefore, there are some important sectors we need to concentrate. Based on the Outsourcing Institute, we can easily determine that, information technology-based outsourcing is the growing really fast rather than tangible outsourcing. Based on their report, there are few major sectors the companies are concentrating for now. Such as, maintaining and repairing, consultancy and reengineering, main framing data centers. There are few other sectors are emerging as well. For instance, client/server, webs, end-user maintenance, total IT outsourcing.

2.2 Outsourcing Business

Outsourcing ventures can be categorized into two major categories. First one is service, and the second one is support for production. Though the second one has a bit resemblance with services. Services or facilities are consisted of info outsourcing, call center facilities, financial/accounting material outsourcing using IT, procurement subcontracting, data focused subcontracting, research, marketing and human resources management. The most important fact is, it is getting popular day by day. Internet is a vast meeting place for people. Besides this production based outsourcing middlemen and consultancy has an enormous appeal through the subcontracting marketplace. Then again, through software support covers application advancement are considered as the product, web improvement, data record & examination, survey etc. This entails additional positive individuals than the service peoples concerning outsourcing. These sorts of subcontracting turn the establishments into a much-relaxed place and also reduce their pressure about their workplace spaces and work load. Both categories are famous in outsourcing market. Just the offshore staffs need to ensure that, from where they might start and which path of offerings of services will lead them to their destination.

2.3 Different outsourcing jobs in Bangladesh

There are many kinds of outsourcing jobs in the different marketplace. Choosing a job is totally up to you. You can choose a job in which you are good at or a job that gives you pleasure while doing. There are many types of job in marketplace such as-

- Web design and development
- Data entry
- Graphics design
- SEO (Search Engine Optimization)
- *Google Ad-sense*
- Article or content writing
- *CPA Marketing*

WordPress is another important CMS to develop a website or create a blog. It is open-source software. Anybody can build dynamic website or blog by using WordPress. You can also build the dynamic website by Joomla, HTML, CSS, JavaScript, PHP. Data entry is another way to earn money online. There is a lot of data entry job in the marketplace. It is very easy and need not any experience or need not know programming. Article or content writing is another best way to earn money online. Quality content writing can make a profession for you. There is different content writing like health content, blog content, technical content writing etc.

Affiliate Marketing is one of the best ways to earn money by selling different products of other companies. Now a day a big number of Bangladeshi peoples are included in affiliate marketing. To earn from this market, you have to build a niche site where different types of products show its reviews and characteristics. It is clear that Bangladeshi people can start the outsourcing business with any process mentioned earlier to earn millions of foreign exchanges. Bangladesh government gives many facilities to start such types of business. So, all types of help you can get by the start of outsourcing business form ministry of information and technology, Bangladesh.

You can also earn from your photo and video by doing Social Media Marketing (SMM). And at present time the most popular work is Amazon Affiliate Marketing from which you can earn money by selling product from your website. When you will

be able to sell an Amazon product from your site, you will get the commission. From this entire job category, you can choose a job which will you prefer most.

And now a question will come to your mind that "from where I will get the job or which marketplace is good?"

This are-

- Upwork
- Freelancer
- 99designs
- Fiverr
- Guru

2.4 Global Market Situation

For the past few years, global IT outsourcing has shown a challenging but stable growth. It has also shown its potential as an industry. "The current global economic crisis has led to shrinking IT budgets for corporate, but there has been a continual growth in demand for global sourcing of IT services, with cost optimization being the primary driver for off shoring services. The increasing cost pressures, with new service delivery paradigms like cloud computing and multiple sourcing, is set to transform the outsourcing industry globally." We can get a rough idea about the potential of outsourcing by analyzing Gartner's report. In his report he stated that, "the IT outsourcing market is forecast to grow by 5.2% (5.5% in constant currency) in 2014. We forecast spending to grow by a 5.9% compound annual growth rate from 2013 through 2018."

Now, as this report is focusing on the IT outsourcing, it would be a great opportunity to bring up Gartner's another observation. According to him, "IT outsourcing (as a part of an outsourcing definition) is the use of external service providers to effectively deliver IT-enabled business process, application service and infrastructure solutions for business outcomes. Outsourcing, also includes utility services, software as a service and cloud-enabled outsourcing, helps clients to develop the right sourcing strategies and vision, select the right IT service providers, structure the best possible contracts, and govern deals for sustainable win-win relationships with external

providers. Outsourcing can enable enterprises to reduce costs, accelerate time to market, and take advantage of external expertise, assets and/or intellectual property."

As already mention that, most of the both parties are interested on creating sustainable relationship and also try their best to turn the deal into a win-win situation. So, the investing party gets cautious when they are investing. They will obviously try to get the best result out of it. But on the other hand, the receiving party also try to make the deal profitable for them. They usually don't compromise with the quality, but they also try their best to squeeze out the profit from it. Now a day, many investors are investing or Enterprise resource planning (ERP). The reason is, many advanced organizations are using ERP. Briefly ERP is, "Enterprise resource planning (ERP) is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services and human resources. ERP software integrates all facets of an operation — including product planning, development, manufacturing, sales and marketing — in a single database, application and user interface." Now, since day by day everything is getting automated and many people can make a living by using the biggest web in this world which is known as Internet. So, it is not hard to assume that offshoring businesses are holding a huge potential worldwide. It's getting visible day by day that, most of the industries in developed countries will be dependent on outsourcing. In a decade, this dependency might come under light.

2.5 Dominating Countries

Asia continent is always an important continent for various things. It is famous for energy like oil and gas. It is also a major agricultural products supplier in the world. Now, if we dissect Asia then we find out another important region which is South Asia. Now in the case of outsourcing though China doesn't fall under South Asia, still they get a big chunk of offshoring work. But, currently in India is the dominating destinations in the outsourcing market in South Asia. Sri Lanka and Bangladesh can be considered as the rising star in this industry. However, Central Europe and Eastern European countries like, Hungary, Ukraine, France, Germany and so on are considered as a guaranteed destination in IT related businesses. As we European

countries are not our direct competitor but still, we will have to struggle a lot to flourish in this industry. India is our major competitor in South Asia. But in my opinion, I think it's not only India but few countries in South Asian region who possess the most potentiality for outsourcing industry. As we can see recently that expert's skill in Europe is decreasing and US's increasing debt, which becoming a burden for them. This phenomenon will force both of them into long term economic crisis. Though it is the

bad news for them, but on the other hand, it can be a blessing for us. If we can show our skills and knowledge and win their trust, then definitely Asia can capture the market.

2.6 Outsourcing in Bangladesh

The New York based global banking securities and investment management firm Goldman Sachs has included Bangladesh in 'Next Eleven' after BRIC (Brazil, Russia, India and China) nations. SMEs in the IT industry are the top adopter through this high time of outsourcing market expansion. Yet, as the business and service distribution chain are shifting across markets, SMEs are now more open to offshore outsourcing choices.

Samantha Marshal stated that, "Outsourcing Moves to Bangladesh" discusses how Bangladesh is a rising star in the international economy with industrial analysts from Goldman Sachs to Cisco Systems predicting that it has high potential to follow in the successful economic steps of the giant next door- India. According to this article as wages and other costs in India continue to escalate at rates as high as 15% a year, more New York companies are going next door to Bangladesh."

Over the past few years, Bangladesh has placed itself in a strong position regarding outsourcing businesses. The people of Bangladesh wanted to find out a new way of income. Outsourcing became a great blessing for them. As they can work in their free time and also, they have their competitive edge because of their knowledge. "The industry —now employs over 20,000 people, and is exporting services to European, North American and East Asian clients. Bangladesh's emerging outsourcing players already have strong credentials."

Bangladesh is in a good position because of some key factor. "Bangladesh has a competitive advantage compared to some of the leading outsourcing countries like the Philippines, India, Brazil, China, Russia etc. As per KPMG Pay Scale Analysis report, the entry level IT personnel average salary is over 50% cheaper than that of other Asia-Pacific countries like India, the Philippines, Malaysia, Sri Lanka, Thailand and Vietnam etc. Moreover, the salary is even cheaper by 75% to 80% than that of Eastern European countries like Poland, Hungary, Russia, Ukraine, Czech Republic, and Romania and Latin American countries like Brazil, Chile, and Mexico etc. Most importantly, the average inflation rate in Bangladesh has been ranging from 6% to 8% for the last decade which is quite steady in nature." As it is said Govt. is setting the maximum tax facilities in these businesses and their outsourcers from overseas are making the profit of spending

less in any work from Bangladesh. This gives us a reason behind the growing demand of Bangladesh's works amongst the outsourcing market. Not only SMEs, individual offshore workforces and freelancers are also getting aided with this.

"Bangladesh now confers academic degrees including postgraduate and doctoral degrees in the ICT subjects in more than 100 institutions including universities, colleges and institutes. According to the Ministry of Education, there are 73 universities in Bangladesh and more than 60 universities offer IT-related courses. These universities, colleges and institutes yearly produce more than 6,000 graduates major in IT related fields. About 2,500 among them are students who majored in computer science or software engineering." In the event that we consider these circumstances Bangladesh has included a great deal of players who have been searching for outsourcing accomplice in everywhere throughout the globe. In highlight of these above, consultants in our nation are doing fabulous also. As indicated by EPB, Govt. of Bangladesh (2012) add up to IT and ITES trades from Bangladesh has been expanded around 24% from 2008 to 2011. This is an articulated sign to us that in the event that we endeavor to create ourselves, we will be esteemed exceedingly in the worldwide market as an outsourcing goal. Most of the simple IT outsourcing employments should be possible by the Bangladeshi laborers thusly establishments are likewise growing up and specialists are getting prepared from them. BCC and BASIS offers a few courses to practice the consultants in various fields, for example, cell phone programming object arranged programming and web

improvement courses. Other than there are some private associations like Genuity Systems or BASE Limited are working in the preparation fields for the IT business individuals. There are some different associations specific to their separate fields, for example, ISPAB is presently working for Integrated Service Provider (ISP) firms and BACCO is particular for Call Center associations and outsourcing. Quality enhancements in aptitude levels and conveyance abilities have been relentless.

2.7 SWOT Analysis of BPO business in Bangladesh

The comparison of Strengths, Weaknesses, Opportunities and Threats is normally referred to as a SWOT analysis. Its central purpose is to identify the strategies that will create a firm-specific business model that will best align, fit, or match a company's resources and capabilities to the demands of the environment in which it operates.

Strengths

- ➢ Well Capitalized
- ➢ Brand Name
- ➢ Faster Processing
- ➢ Young Energetic Employees
- ➢ Superior Customer Services
- ➢ Excellent Networking System

Weaknesses

- ➢ Low infrastructural development
- ➢ Slower internet speed
- ➢ Limitation of innovation

Opportunities

- ➢ Potential scope of growth
- ➢ Flexible government regulations
- ➢ Very few numbers of competitors

Threats

➢ Growth rate is consistent but very slow
➢ Implication of new set of government policies may pose as a threat in the future

Chapter: **3**

Prospects of BPO
Business in Bangladesh

3.1 Prospects of Subcontractors in Bangladesh

Slowly but steadily Bangladesh is drawing attention of the advanced countries in respect of outsourcing of their IT-enabled products. We have advantages as well. Such as, our freelancers are educated and smart yet their hourly charge is relatively low. That's why we can provide good service but in a cheap price. Developed countries, especially the USA, the UK, Canada, Australia and Singapore are increasingly allocating local IT (information technology) specialists for emerging their both online and off line based software for the last couple of years.

Considering the capabilities, Elance, oDesk and some other worldwide online work platforms have taken a big step to work with Bangladeshi IT experts. If we consider the word of the people who are currently working in this field, then we can see that, this sector has achieved a robust growth of about 150 percent year on year basis for the last two years.

More than forty thousand local IT personnel have so far been employed in the sector and income from the sector has reached about US$30 million till March of the current financial year (FY) which was less than thirty thousand and $20 million respectively during the corresponding period of the last FY.

IT freelancing has taken off in a big way in Bangladesh, with around 100 to 150 per cent growth for the last couple of years. More than 40,000 freelancers are now working from their homes in Bangladesh for different global companies. But how much money they are earning from overseas clients each year is difficult to measure. Government isn't tracking the flow yet. Their income is not encompassed in the software export data, though it shows a suggestion of an income of around $30 million.

If we divide the jobs for our freelancers then we can find that, [Chart 02] around 45 percent were for IT and programming, 25 percent for designs and multimedia, 13 percent for sales and marketing, 10 percent for administration support, 5 percent writing and translation and 2 percent for miscellaneous jobs. Due to some anomalies, freelancers receive their money through Western Union, VISA card, Master card or other channels which does not enter into the government's export earning software.

Freelancer Earnings by Category

Legend:
- Technology
- Admin Support
- Writing & Translation
- Design & Multimedia
- Sales & Marketing
- Finance & Management
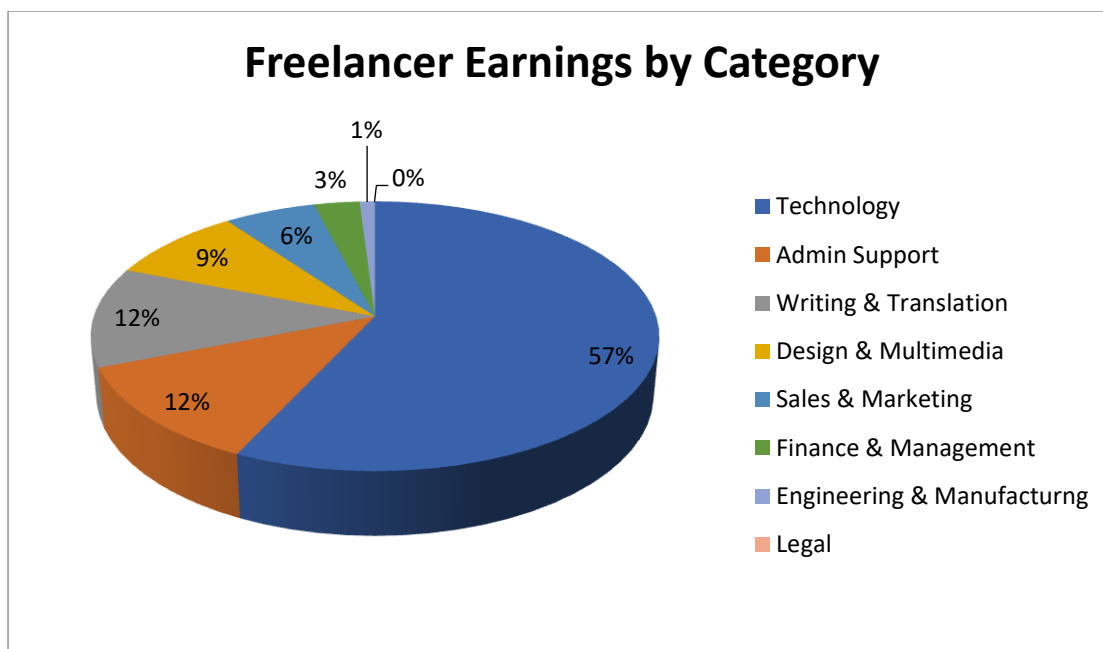- Engineering & Manufacturng
- Legal

Figure 3.1: Different Sectors of outsourcing

Bangladesh is competing with India, Pakistan and some eastern European countries in freelance work, which definitely shows the intelligence and expertise of Bangladeshi IT professionals. If any governmental action is taken on the favor of our fresh graduates, and train them for these kinds of job, then they can be turned into a strong hand. "Initial earning of a person is not that much attractive but after gaining experiences in the field; one can earn more than any professional of Bangladesh. Freelancers earn $15 to $20 per hour on an average for technical work, and $5 to $10 for administrative or non-technical work. A new comer in the sector earns around $2 to $5 depending on type of job. However, to further boost the sector, BASIS has been providing different kinds of training and the Information and Communication Technology (ICT) Ministry has in the meantime completed a Tk. 70 million project for training up people in the same field. Besides, World Bank is scheduled to finance around Tk. 500 million in a similar training project soon.
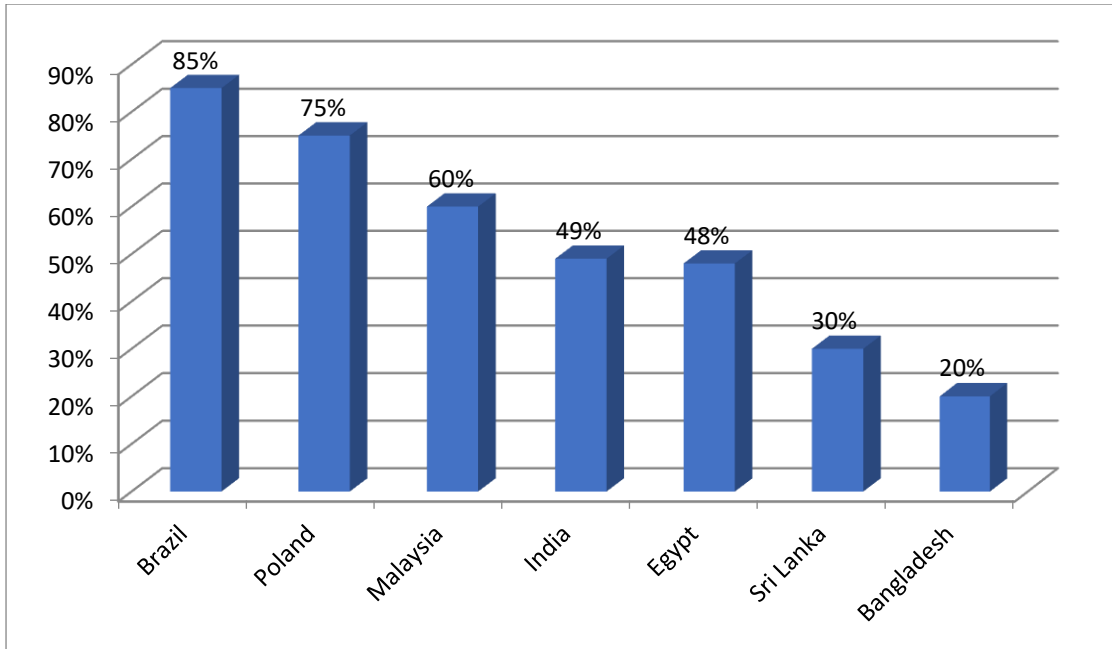
Figure 3.2: Outsourcing Cost

3.2 Some Leading Business Process Outsourcing firms in Bangladesh

3.2.1 ServicEngine Ltd.

ServicEngine is the largest BPO company in Bangladesh founded in 2006. It is backed by one of the largest conglomerates in this country 'Abdul Monem Limited' and currently has around 1,000 employees providing services to US companies such as AOL, AdTheorent, ScrollMotion and many others. Its expertise includes but is not limited to Digital Advertising Operations, Software Application Development, Data Analysis, Quality Assurance services.

3.2.2 LEVERnGEAR Ltd.

LEVERnGEAR ltd is a Startup Business Process Outsourcing Firm that provides a wide array of outsourcing services worldwide. LEVERnGEAR ltd. has officially started its journey on December 2015 under the companies' act 1994 as a sole proprietorship company. It involves the contracting of the operations and responsibilities of a specific business process to a third-party service provider. This company started their operation with Digital data entry, processing and analysis. It is

typically categorized in to back office, which provides cost effective back-end services & outsourcing solutions to businesses, and help them reduce overhead costs, increase efficiency, save time and let them refocus their resources to the core operation of their business. LEVERnGEAR ltd mainly offers monitoring day to day Accounting Operations, Management consultancy, Outsourcing and Back-office Management. This organization has 32 permanent employees. Digicon Technologies, Kazi IT, Brainstation 23 etc are the local partner of this company. However, the main client of this company is Signature Care Emergency Center, which is located in Houston, Texas.

Services of LEVERnGEAR ltd.

LEVERnGEAR ltd is currently providing following services:

- ☑ BPO, Data Entry, Virtual Office, Back Office, Designer and Supervisors and all kind of related business.
- ☑ IT process outsourcing.
- ☑ Website development, service and listing.
- ☑ Digital data entry, processing and analysis.
- ☑ Call center service.
- ☑ Document conversion, imaging and digital archiving.
- ☑ IT support and software maintenance service etc.

Objectives of LEVERnGEAR ltd.

The main objective of this company is to reduce overhead costs, increase efficiency, save time for their client and let them refocus their resources to the core operation.

> ➢ To create and continue upgrading the loyalty of the clients and their recommendations.
> ➢ To establish a strong and distinguish corporate portfolio and image by retaining the tradition of the world greatest service line up.
> ➢ To ensure that every member off the management team will be a person of top capability.
> ➢ Introduce methods to plan for the provision of required caliber and quantity its staff.

Assist the organization in becoming more customers aware and responsive in changing needs of external environment.

3.2.3 Taskeater

Founded in 2013, by Mikko Tamminen, it was built as an outsourcing company to service large businesses and fast-growing companies in Europe. It has offices in London, Stockholm, Helsinki and Dhaka. Its current expertise ranges from Content Moderation, Transcription to Online Data Collection and Call Center Auditing.

3.2.4 Genex Infosys Ltd.

A sister concern of IPE Group UK, Genex is another leading outsourcing company in Bangladesh, with a multinational team of experts around the globe. Its current clientele consists of corporations in the Telecom Industry, Banking Sector, and Government and in the Retail Industry. A major part of its services includes Inbound and Outbound Customer Service, as well as Digital Services and Backoffice Management.

3.2.5 ASL BPO

ASL is a startup BPO firm founded by Zayed Ahmed. It currently provides round the clock 24/7 Back End Office Support to a large number of Real Estate and Asset Management Companies in USA, providing support in areas such as Comparative Market Analysis (CMA) and Broker Price Opinion (BPO). Another major sector that it provides service to is in Digital Marketing (SEO, SEM, and SMM) to small and medium sized companies. One of its largest successes in 2017 has been to partnering up with Telamon, a Business Solutions Firm based on US.

3.2.6 Digicon Technologies Ltd.

Digicon is a pioneer in Bangladesh's Call Center Industry; it has been providing its Outbound and Inbound Customer Service Support to the Commercial Vehicle Industry, Banking Companies, Pharmaceutical Industry, Multinational Beverage and Electronics Companies.

3.2.7 FifoTech

FifoTech was founded by Towhid Hossain who is currently its Managing Director & CEO. It is one of the oldest Contact Center, that has been providing is services since its inception in 2004. Other Areas that it has expertise in are Finance Accounting Outsourcing, DLP Solutions and Human Resource Management.

3.2.8 Quintos Business Solutions

Quintos is another BPO Startup founded by Gazi Musayab Raffan. It offers its business solutions services in areas such as Digital Marketing, Web Development, Software Solutions, Mobile App Development and E-Commerce Solutions.

3.2.9 Aamra Outsourcing Ltd.

Aamra Outsourcing LTD is a sister concerns of Aamra Companies, a leading business corporation which has its operations in Textiles, Information & Communication Technologies and Lifestyle Services.

3.2.10 Syntech Solutions Ltd.

Syntech provides its services in the areas of Software and Mobile Application Development, as well as Web Design and Web Developing. Its clientele includes Australian Stone house, Pinstrip UK, and Decen Decor (Dubai) among others.

3.2.11 Business Consulting Services (BCS)

Business Consulting Services, is a member of BDO International Limited, an UK based Company. Its expertise is in the areas of Accounting and Financial Support, Payroll, HR Outsourcing and Recruitment Services.

3.3 Factors That Make Bangladesh a Favorable BPO Destination

In Bangladesh, there are lots of opportunities like cheap labor, a business hub, sub marine cable advantage, huge resources etc. make lots of opportunities in Bangladesh. For that, there we see a trend to expand of BPO sector rapidly and make remittance for the country. Bangladesh supplies 16% of the total online workers, the second highest after India which provides 24%, according to 2017 Online Labor Index of Oxford Internet Institute.

3.3.1 Low labor costs

Bangladesh has a large pool of skilled and low-cost labor, which makes it an attractive destination for BPO companies.

3.3.2 Cheaper Infrastructure Cost

Costs of infrastructure in Bangladesh are fairly low compared to destinations in Asia particularly in terms of office spaces. The rental of office space in Dhaka is 20% lower of that in Delhi.

3.3.3 Income through Staying at Home

It's a big opportunity to make income by staying at home. Most of the students are becoming unemployed, they cannot get their expected job after huge struggle, moreover, they can't expect job, beside these, and they can take outsourcing as a personal income source. On the other hand, it's a big opportunity to make income by

staying at home, so outsourcing has become so popular among people specially for women.

3.3.4 Government support

The government of Bangladesh has been actively promoting the BPO industry through various initiatives, including tax incentives, infrastructure development, and skill development programs.

3.3.5 English proficiency

Bangladesh has a growing number of English-speaking professionals, which is a key requirement for BPO services.

3.3.6 Strategic location

Bangladesh is strategically located between South Asia and Southeast Asia, making it an ideal location for BPO companies to serve clients in both regions.

3.3.7 Job creation

BPO has been a major source of job creation in Bangladesh, particularly for young graduates who are entering the workforce. The sector has been growing rapidly, with the potential to create thousands of jobs in the coming years.

3.3.8 Economic growth

BPO has the potential to boost Bangladesh's economy by attracting foreign investment and increasing export revenues. The growth of the BPO industry could also create a multiplier effect, generating additional jobs and income in related sectors.

3.3.9 Improved skills and training

The development of the BPO sector in Bangladesh has led to the creation of training programs and vocational courses, which are helping to improve the skills and employability of the country's workforce.

3.3.10 Enhanced global competitiveness

By developing a strong BPO industry, Bangladesh can increase its competitiveness in the global market. As more companies outsource their non-core functions, Bangladesh can position itself as a reliable and cost-effective destination for such services.

3.3.11 Population & Demographic

50% of Population is below 28 years of age. Bangladeshis are known for hard work and commitment even attrition rate is very low as compared to employees of other countries.

3.4 Bangladesh Can Be an Alternative BPO Hub

Bangladesh can be an alternative destination for business process outsourcing (BPO) with its young and dedicated IT talents, said ASM Mohiuddin Monem, chairman of ServicEngine Ltd. The Dhaka-based BPO Company has already proved that it is possible to compete with other regional countries such as India and the Philippines that are the pioneer in the industry.

ServicEngine Ltd, an entity of conglomerate Abdul Monem Ltd, has been recognized as one of the top 100 global outsourcing companies by the International Association of Outsourcing Professionals or IAOP for the third consecutive year.

It is the only Bangladeshi firm that has been securing a place on the list of "The Global Outsourcing 100" as a "Rising Star" since 2014 for its excellence in the IT industry.

Bangladesh can definitely reach the $5 billion export target of the ICT ministry, he said, while sharing his company's achievement as well as his experience in an interview with The Daily Star.

"IT outsourcing can work as a major catalyst to achieve the export target and help materialize the government's dream of digital Bangladesh" he said.

3.5 Recent Ranking of Bangladesh in Outsourcing

AT Kearney Global has selected Bangladesh among best spots for IT jobs outsourcing. AT Kearney Global is the world's renowned and leading management consulting firm. It has ranked 51 countries worldwide as the best destinations for outsourcing of software and IT-enabled services. It has published a report which stated that it had marked Bangladesh among best spots for IT jobs outsourcing. Bangladesh has secured top spot among 51 countries, including India, China, Australia, Canada and the UK regarding 'Financial Attractiveness'. In the index, Bangladesh has got the 26th position. Among the listed countries, India has obtained the 1st position, Pakistan in the 25th position, the United Kingdom (UK) gained 27th, Canada 37th; Australia ranked 49th and Ireland got the lowest position.

1. Bangladesh became 3rd in the list of top ten on oDesk.
2. The study of AT Kearney Global says that Bangladesh has become a central point for outsourcing jobs via online marketplaces such as oDesk. Bangladesh has shown tremendous improvement on oDesk. In 2009, the country accounted for only 2% of the total hours worked on oDesk. At present, it accounts for 10%. Bangladesh has become the 3rd (third) country for contractors on oDesk. It is now behind two countries, the Philippines, and India. It has moved quickly to the forefront of entrepreneurial activity.

3.6 Bangladesh Received another 1,500Gbps Bandwidth from its Second Submarine Cable Network

The connection of Bangladesh to its second submarine communications cable presented the country with an unusual but not unwanted problem: what to do with the excess capacity.

Over 550,000 miles of fiber optic cables are buried under the world's oceans to deliver the bulk of emails, web pages, and other electronic communications from one continent to another at the speed of light.

Bangladesh's first submarine cables network SEA-ME-WE 4 has been providing the country with 250Gbps of bandwidth for nearly a decade. Until now, the remainder of the country's 400Gbps demand has been met by six international extraterrestrial cable associations.

However, the connection to the SEA-ME-WE 5 undersea network provided the country with another 200Gbps bandwidth, which will eventually rise to 1,500Gbps.

3.7 Present Condition and Attempts for Inspiring Outsourcing

Rapid digitalization and a high rate of educated unemployment has made Bangladesh the second largest exporter of online labor. According to the Oxford Internet Institute (OII), about 500,000 active freelancers are working regularly, out of 650,000 registered freelancers in the country; between them they are generating $100 million annually, according to the ICT Division of Bangladesh. There are about 151 outsourcing companies. In the last few years BPO (Businesses process outsourcing) sector has gone through massive expansion and it has achieved 24 percent year growth year after year and it shows signs of more expansion. India is the largest supplier of online labor with close to 24% of total global freelance workers, followed by Bangladesh (16%) and the US (12%). Different countries focus on different sectors of freelancing services. For instance, technology and software development is dominated by Indian freelancers, while Bangladesh is the top supplier of sales and marketing support services. IT skills and English are the main competences of Bangladesh for being a new hub for BPO operators. Labor cost is around $8 per hour than other BPO countries like Philippines ($20) and India ($15). 180-million-dollar

worth of market share is currently owned by Bangladesh and if Bangladesh can utilize this great opportunity this sector can become the second biggest to earn foreign currency. It is a very well-known fact that there is a lack of job opportunity in Bangladesh but due to the BPO sector alone it is now providing jobs to 45,000 people, which at the start had only 900 people working in the whole sector, this shows the promise this sector holds. In recent years, through online outsourcing, a large number of entrepreneurs and individuals with their hard work and talent are contributing to society and the country. Accumulating all of the cash that Bangladeshi freelancers are earning about one crore Bangladeshi Taka per day from various freelancing marketplaces. For the past few years, Bangladesh Association of Software and Information Services has been arranging an award program every year to inspire more people in doing online outsourcing jobs in Bangladesh.

3.8 Enhancement of Women Freelancing Career in Bangladesh

The most common reasons behind female unemployment in Bangladesh are the unfavorable working environment, different types of social issues, including family support, road safety, etc. For these matters, sometimes women don't get support from their family for working outside. Gender discrimination is a burning issue in Bangladesh. Women usually get less money for the same amount of work than their male coworkers.

Above issues can be solved by enhancing women freelancing in Bangladesh. An outsourcing or freelancing career can be a great opportunity for women in Bangladesh. In this way, they can get the chance to manage their family and continue their career.

Chapter: 4

Challenges of BPO business in Bangladesh

4.1 Obstacles of BPO business in Bangladesh

There are few obstacles we need to cross before declaring ourselves one of the Giant. It might sound very optimistic, but truly Bangladesh has the potential to be considered as one of the biggest players in the outsourcing industry. Gartner gave Bangladesh a "poor" rating in three vital areas – infrastructure, language skills and data, and intellectual property security. Poor infrastructure, including frequent power crises and slow and unreliable Internet connections are the most immediate problems for outsourcing. Ahmadul Hoq, president of the Bangladesh Association of Call Centre and Outsourcing (BACCO) stated that "We have told the government that we need an uninterrupted power supply and a second connection with high bandwidth, adding that progress on these issues was slow."

4.1.1 Power crisis

Bangladesh's businesses have suffered by power supply for a very long time. It is not only an obstacle for outsourcing businesses, but also other types of manufacturing and non-manufacturing business. In our country the plants generate only around 5,000 megawatts of electricity a day, where the demand is over 6,000 megawatts. This unlimited demand of electricity is growing at a rate of 500 megawatts a year.

4.1.2 Low internet speed

Internet might be an old thing for rest of the world, but it's relatively new in our country. Still now we are very much behind than rest of the world. For example, in America a user at his home gets an average speed of 10 mbps (megabit per second). But we get only 1 mbps now a day. Our country has only one submarine Internet cable. It might not seem but we desperately need a second line for uninterruptable internet connection. Hoq said, "We are connected to submarine cable network SEA-ME-WE-4, which provides an Internet bandwidth of 24 gigabytes, but more speed needed and an alternative connection is essential to satisfy overseas clients," Hoq said. 40% of the businesses are significantly affected by slow internet speed here in Bangladesh. Web developer and software developer firms encounter this problem

more often than the others. However, companies seem to come up with the situation and 60% companies have reported that they somehow manage it, although their working capacity got sluggish.

4.1.3 Money transaction problem

Payment type is a big barrier in our outsourcing industry. Everywhere in this world, people work to make their living. Outsourcing or freelancing is not different from them as well. But, we get stuck to our old traditional way of payment type. Either it's check or cash. Now a day, lots of companies pay their employees by the salary account from different banks. But nothing is more important for an employee than a secure payment method. Now a day, freelancers get paid by their different accounts in bank, which is safe. But there are other payment method like "Paypal". But currently Bangladesh Government is not allowing any online transaction. Without any confusion what-so-ever, Bangladeshi web-based businesses have indicated it as the biggest problem they face. Almost all the respondents are affected by this trouble while dealing internationally. The biggest problem to run the freelancing business, again most of the firms has specified international monetary transaction method as the most upsetting one.

4.1.4 Infrastructure Crisis

Infrastructural support is crucial when any industry needs growth. Government and private organizations should provide input simultaneously to create a constant growth rate for an industry. IT outsourcing in Bangladesh is still in its early age. To make it mature, infrastructural improvement is so important which have been discussed through survey with six crucial topics for IT outsourcing industry.

4.1.5 Quality of services

The quality of services provided by BPO companies in Bangladesh has been a concern, as they often lack the necessary skills and experience to meet the standards of international clients.

4.1.6 Competition

Bangladesh faces competition from other countries, including India, the Philippines, and Malaysia, which have established BPO industries.

4.1.7 Political Instability

Politics and business run on the same way. Bangladesh has a history of political instability, which can create uncertainty for businesses and investors. Sometimes government want to control businesses, sometimes businesses can acquire power to corrupt government. So, it has a big deal with the industry. This is a big concern in Bangladesh. There are lots of reasons behind loosing international market by political violence.

4.1.8 Marketing Empowerment and English efficiency

Though we are in leading position in outsourcing market, but we are not reaching at the highest level just because of having lack in marketing knowledge. So, our people should also acquire the power of marketing and this technical knowledge will help them in their practical field while communicating. Though we have a good number of human resources, many of them cannot communicate in English fluently.

4.1.9 Intellectual Property Rights

Intellectual Property Rights (IPR) maintenance and providing security for those properties should be maintained through government rules strictly, because fraud and piracy rate is at a very risky stage for any industry. Due to numerous incidents of software piracy made it still remaining the bad images of Bangladesh. Govt. should take care of this soon under IT acts and rules.

4.1.10 Discoveries

Bangladesh has to compete with few countries to get to the top of outsourcing industry. Our major competitor in South Asia is India and Malaysia which is outside South Asia. We have to solve few problems to compete with them. Those are, power crisis, low internet speed, monetary transaction problem. These are the main obstacle for Bangladesh in terms of developing in the field of outsourcing. These are the fences we need to cross to reach at the top of our potentiality and prospects of outsourcing to Bangladesh. There are some other issues which has room for improvement:

➢ International holyday versus government holiday
➢ Creative work is not always possible. Most of the times these are instruction based which comes from the client
➢ Lower work to reimbursement ratio
➢ Communication or language is still a barrier

Chapter: 5

Findings, Recommendations and Conclusion

5.1 Findings

According to the result this study generated, I found out that, Power crisis, Low internet speed, Money transaction problem, are the main obstacle for Bangladesh in terms of progressing in the field of outsourcing. Those barriers are limiting the potentiality and prospects of outsourcing to Bangladesh. There are some other issues that I would like to mention are:

- International holyday versus government holiday.
- No scope of creativity.
- Communication barrier.
- Electricity crisis.
- Low bandwidth in Internet.
- Infrastructure instability.
- Dollar rate fluctuate.

5.2 Recommendations

Government should start taking initiatives to increase their speed of infrastructural development. The top priority which is given by the employers is the quality of work. Individuals or companies should concentrate on top notch quality of service to fulfill employer needs. If the provided service is superior in quality, it will not only bring goodwill for the company, but also raises the nations' honor. So, government should establish more training institutes to train our people and also, they should impose authority to private sectors so that, they can also train to deliver greater quality of work. There are some key recommendations as follows:

- Consult with clients about holiday.
- Finding new client can create more creative or skillful work.
- Set up more training centers.
- A stable resolution for electricity/power crisis.
- Proper delivery of bandwidth throughout the whole country.
- Boost up infrastructural development.

5.3 Conclusion

The enterprises evaluating outsourcing destinations based on a number of factors – specially the quality of services and the costing (Rahman, 2012). Bangladesh can offer very low cost labor for any industrial production. And like a labor oriented industry, IT Outsourcing must have Bangladesh within one of their lucrative destinations. Now Bangladeshi people can access WiMAX and 4G network and easily get connected to the world. Through mobile phone a person can contact to any corner of the country and even worldwide. So, we are not lagging behind of technologies, we just need the right track to walk with right choices of industry. Bangladesh is a country of huge potential. Everyday people are coming out with new ideas here and small businesses are growing up. Government has taken a great initiative through promoting 'Digital Bangladesh' among the people, especially the youth. Generations by generations are enjoying the excitement of technology, if we can put them into right bottle, they will bring us a huge amount of revenue through IT Outsourcing.

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