INTERNSHIP REPORT ON

“WORKING CAPITAL MANAGEMENT SYSTEM OF IT EXPRESS BANGLADESH”

Submitted To

Mahbub Parvez

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Submitted By

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Date of Submission: 20th February, 2024

Letter of Transmittal

Date: February, 2024

Mahbub Parvez

Associate Professor

Department of Business Administration

Daffodil International University

Subject: Submission of internship report titled "Working Capital Management System of IT Express Bangladesh"

Dear Sir,

I am hereby submitting my internship report titled **"Working Capital Management System of IT Express Bangladesh"** which is a part of our program curriculum. It is a pleasure and a fantastic chance for me to work directly under your supervision.

I hope the report will satisfy you and may fulfill the need to complete the degree.

Yours sincerely,

Zahidul Islam Chowdhury

ID: 152-14-1759

Major: Finance

Program: MBA

Batch: 41

Department of Business Administration

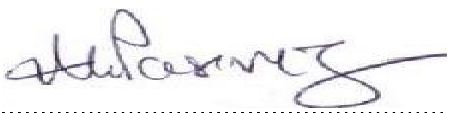
Daffodil International University

Certificate of Approval

This is to certify that Zahidul Islam Chowdhury, ID: 152-14-1759, Daffodil International University, has successfully completed the report titled **"Working Capital Management System of IT Express Bangladesh**'**.**"

After reading the entire report, I concluded that it was a well-written document. This report was finished entirely by him. I hereby acknowledge that the internship program has been successfully completed and accept the report. He was genuine, proactive, and focused on his work throughout the program, and I wish him all the best in life.

Signature



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Mahbub Parvez
Associate Professor
Department of Business Administration
Daffodil International University

Acknowledgment

Many people's contributions made this report possible, and for that, I am incredibly grateful. Please accept my sincere gratitude. Thus, I would like to take this chance to express my gratitude to everyone who assisted me in writing this report on **"Working Capital Management System of IT Express Bangladesh "**

Let me first and foremost express my sincere gratitude to God for the wonderful opportunity and blessings that have come my way, enabling me to successfully finish this report on schedule. I want to express my heartfelt appreciation and my deepest gratitude to my internal faculty guide **Mahbub Parvez**, Associate Professor, Department of Business Administration, Daffodil International University for his ongoing, inventive, helpful, and informative assistance, without which the project could not have been finished effectively.

I express my special sincere gratefulness academicians, tourism experts, and intermediaries companies and all other people who helped me to collect necessary information and suggestions during my internship period.

I am grateful to invaluable and unwavering assistance in seeing this study through to the end. I would like to use this as an opportunity to thank everyone who assisted me, both directly and indirectly, in finishing this report successfully. In conclusion, there aren't enough words to adequately convey how much I appreciate and respect the people who assisted me in finishing this report.

Executive Summary/Abstract

An abstract summarizing the working capital management of IT Express BD might highlight the significance of competent management current assets and liabilities to guarantee the company's operational effectiveness and financial stability. It would delve into the specific findings and recommendations identified through the analysis, emphasizing the potential impact of implementing these recommendations on the company's overall financial performance and competitiveness in the market. Overall, an in-depth study of working capital management for IT Express BD can provide valuable insights and guidance for optimizing the company's short-term financial resources and enhancing its overall financial management practices.

Table of Contents

ABROGATION

7FYP	7th Five Year Plan
A2I	Access to Information Program
ADs	Authorized Dealers
BB	Bangladesh Bank
BBS	Bangladesh Bureau of Statistics
BCC	Bangladesh Computer Council
BCS	Bangladesh Computer Samity
BPC	Business Promotion Council
BPM	Business Process Management
BPO	Business Process Outsourcing
BWIT	Bangladesh Women in Technology
CPC	Central Product Classification
EPB	Export Promotion Bureau
ERQ	Exporters Retention Quota
FEP	Foreign Exchange Policy
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GPA	Grade Point Average
HSC	Higher Secondary School Certificate
IMF	International Monetary Fund
IT	Information Technology
ITES	IT Enabled Services
ITU	International Telecommunication Union
KOICA	Korea International Cooperation Agency
KPM	Knowledge Process Management
KPO	Knowledge Process Outsourcing
LPO	Legal Process Outsourcing
MoI	Ministry of Information
NBR	National Board of Revenue
SFYP	Sixth Five Year Plan

CHAPTER-1

INTRODUCTION

1.1 Introduction:

ITand Services Enabled by IT In Bangladesh, outsourcing is still a relatively new business industry. One subset of the information technology (IT) industry is IT Enabled Services (ITES). ITES stands for information technology-related production and delivery. Web, mobile, and software development, IT & networking, data science & analytics, engineering & architecture, design & creative, writing, translation, legal, administrative support, customer services, sales & marketing, accounting & consulting, etc. are some examples of major IT enabled services. At least 1981 is when the term "outsourcing" first appeared. The act of assigning some of your work to outside vendors in order to cut expenses is known as outsourcing. Employees and assets may occasionally be transferred from one company to another as part of outsourcing. In Bangladesh, popular IT/ITES services that are outsourced from Bangladesh to numerous foreign nations include call centers, desktop publications, 2D/3D animation, website development, product development, mobile application development, software development, back office administrative work, and graphics design. At least 1981 is when the term "outsourcing" first appeared. The act of assigning some of your work to outside vendors in order to cut expenses is known as outsourcing. Employees and assets may occasionally be transferred from one company to another as part of outsourcing. When it comes to outsourcing these services, Bangladesh's workforce is its main asset. Bangladesh's workforce, which is young, educated, and trainable, makes the country profitable because they have the skill sets needed to compete on a global scale. Conversely, the ICT sector has been designated as a "thrust" sector by the Bangladeshi government. In this regard, the "Problems and Prospects of IT and IT Enabled Services Outsourcing in Bangladesh" study has been taken on by the Bangladesh Tariff Commission.

1.2 Background of this Report:

IT Express Bangladesh has pledged to provide the highest caliber services to its esteemed clients in order to help them reach their business objectives ever since its founding. The company uses the newest technology available to create expert business applications and solutions. Delivering comprehensive IT solutions to corporations, E-commerce, software development and network solution companies, and other IT-related businesses was its main goal.

1.3 Scope of the Report:

The assessment's primary goal is to "Value the tactics and exercises and link them to a decrease in the degree of general mental well-being." with a particular focus on IT Express Bangladesh's Working Capital Management System. IT Express Bangladesh is dedicated to helping its esteemed clients reach their business objectives by providing the highest caliber services. The company uses the newest technology available to create expert business applications and solutions.

1.4 Objective of the Report

- To evaluate the cash management system of IT express
- To identify the process of ensuring adequate liquidity to meet short-term obligations.
- To ensure the optimizing cash flow for daily operations.
- To prepare policy recommendations

1.5 Methodology:

Two main types of data are used in this descriptive report. Primary and secondary are the two categories.

1.5.1 Primary Data

I have gathered this information with my company supervisor's assistance. The employees of the company have also helped me.

1.5.2 Secondary Data

My backup plan for gathering data from different sources. They are as follows:

Examine the websites. https://www.itexpressbd.com/, Different books, journals and newspapers.

1.5.3 Date analysis & report writing

To conduct a comprehensive data analysis and generate an insightful report on IT Express Bangladesh to use of MS word and MS Excel would first need access to relevant data points and information about the company's operations, financials, market position, and any specific areas of interest. Explain the methodology used to collect and analyze the data, including the sources utilized and any statistical techniques applied. Financial analysis evaluates the company's financial statements such as income statements, profitability, liquidity.

1.6 Limitation of the Report:

The real world and theoretical knowledge are not quite the same. We have studied the traditional procedures during our academic careers.

- The inaccessibility of some of the most recent and prior data.
- A few obstacles had to be overcome by the researchers throughout the course of the investigation.
- A portion of the data has been omitted in order to maintain the association's classification.
- Due to their work constraints, gathering information from different people was exceedingly challenging.

Chapter-2

AN OVERVIEW OF ORGANIZATION

2.1 Management Aspect of IT Express Bangladesh:

The management aspect of IT Express Bangladesh may encompass various areas such as leadership, organizational structure, strategic planning, human resource management, and operational decision-making. This involves ensuring effective coordination among different departments, setting clear goals and objectives, managing talent and resources, and devising strategies for sustainable growth and profitability.

2.1.1 History IT Express Bangladesh:

The history of IT Express Bangladesh likely involves an evolution from its founding to its current position in the market. This could include information about the company's establishment, key milestones, expansions, mergers or acquisitions, changes in its business model, market positioning, and any significant achievements or challenges it has encountered over the years.

Logo

Our Work /Project

2.1.2 Mission

We provide innovative solutions to expand business

2.1.3 Vision

We have been helping build brands

Contact Info

IT Express BD

60/9/D/25 ,Dhalur, Jatrabari, Dhaka – 1232, Bangladesh.

Email: info@itexpressbd.com

Phone: +880 1703 450 533

2.2 Product and Service

Web Development

We offer web development and design based on the demands of the present market we help our customers to grow in internet market.

Logo and Brand Identity

Brand & Logo is everything to our customers and we illustrate all of their dreams professionally.

Graphics Design

We create vector graphics and illustrations based on your ideas and images. We even improve the graphics you already have.

Software Development

We solve problems of any business with nice logic. Our software low bugs and great usability.

Search Engine Optimization (SEO)

We don't help to terrorized but dominate in internet market, because SEO is nomore a toy, but a science now.

Networking

Our knowledgeable engineers are prepared to construct any kind of network, indoor or outdoor, to our clients' satisfaction.

App Development

These days, mobile apps are incredibly helpful. Give us a call with your needs, and our app engineers will take care of the rest.

Social Marketing

You paid a lot! We can reduce your paid advertisement cost and will help to grow you and your brand to the Social Market.

Content Creation

We create contents for your letter, websites, marketing statements, financial proposal, agreements and affiliation.

Best Services

Don't waste your time and money on trying. We are committed to our customer to provide the best service.

Professional

Professionalism and honesty is our attitude. We never left alone our customers with empty handed.

Dedicated Supports

Call us any time in day or night, we are ready to provide you the best support to help your business.

Experienced Team

Most of the time our customers are truly happy because of our experienced team and their delivery.

RND Comes First

Before we begin development work, we thoroughly investigate every angle.

Long-term Relationship

Our goal is to establish enduring relationships with our clients.

2.3 Financial Highlight of IT Express Bangladesh:

Financial highlights of IT Express Bangladesh might include revenue, net income, cash flow, profitability ratios, liquidity ratios, and any other relevant financial indicators. Additionally, it may include information about the company's financial performance over recent years, its market capitalization, debt levels, and any notable financial events or developments.

IT Express Bangladesh Statement of profit and loss 2021-2023

Year	**2021**	**2022**	**2023**
Revenue	93461	98461	103461
Cost of revenue	65922	70922	75922
Gross profit	**62462**	**67462**	**72462**
Administrative expenses	59438	64438	69438
Profit from operations	**31900**	**36900**	**41900**
Other income	23587	28587	33587
Profit before tax	98313	103313	108313
Income tax expense	20069	25069	30069
Net profit for the period	**28382**	**33382**	**38382**
Other comprehensive income			
Total comprehensive income	**28382**	**33382**	**38382**

These financial statements would not be complete without the appendiced notes 1 through 24.

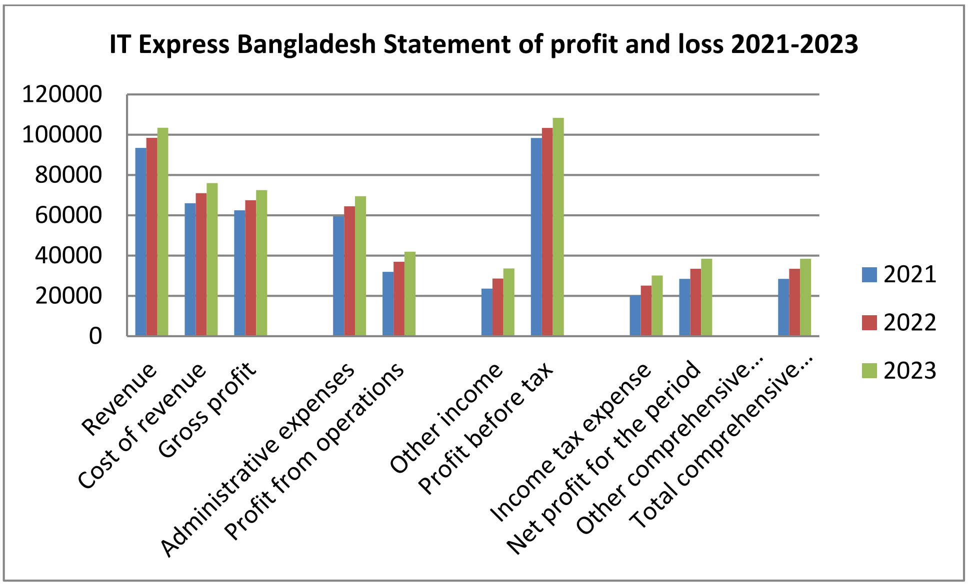


Figure: IT Express Bangladesh Statement of profit and loss 2021-2023

Sources: IT Express Bangladesh

2.4 SWOT Analysis of IT Express Bangladesh:

Strengths:

1. Established Reputation: IT Express Bangladesh has built a strong reputation in the IT industry, known for delivering high-quality solutions and services.

2. Technical Expertise: The company possesses a team of skilled professionals with expertise in various areas of IT, encompassing cloud computing, network administration, cyber security, and software development.

3. Client Base: IT Express Bangladesh has developed a significant client base, including both national and international clients, which indicates its ability to attract and retain customers.

4. Innovation and Adaptability: The company demonstrates a willingness to embrace new technologies and adapt to changing market trends. This flexibility positions them well to address emerging challenges and meet evolving client needs.

Weaknesses:

1. Limited Market Presence: While IT Express Bangladesh has a solid reputation, it may face challenges in expanding its market presence beyond the local region. Enhancing marketing efforts could help overcome this weakness.

2. Resource Dependence: Like many IT companies, IT Express Bangladesh relies heavily on skilled personnel and technological resources. Any shortage or disruption in these areas could impact service delivery and scalability.

Opportunities:

1. Growing IT Market: The IT industry in Bangladesh is experiencing rapid growth, presenting opportunities for IT Express Bangladesh to tap into new business segments and increase its market share.

2. Digital Transformation: Organizations are increasingly embracing digital transformation, creating opportunities for IT Express Bangladesh to provide consultancy, implementation, and support services to assist companies in their digital initiatives.

Threats:

1. Intense Competition: The IT industry is highly competitive, both locally and globally. IT Express Bangladesh must continuously differentiate itself.

2. Technological Advancements: Rapid advancements in technology can pose challenges as well as opportunities. Staying updated with emerging technologies and investing in R&D will be crucial for IT Express Bangladesh to remain competitive.

Overall, IT Express Bangladesh possesses strengths such as its established reputation, technical expertise, and client base. However, it should address weaknesses related to limited market presence and resource dependence. By capitalizing on opportunities in the growing IT market and digital transformation, while navigating competition and technological advancements, the company can position itself for continued success.

Chapter-3

Learning Part

3.1 Working Capital Management System of IT Express Bangladesh

IT Express Bangladesh is a leading IT company in Bangladesh, offering a wide range of services including software development, IT consultancy, and digital marketing. As with any business, The success and efficient management of working capital is essential for the sustainability of IT Express Bangladesh.

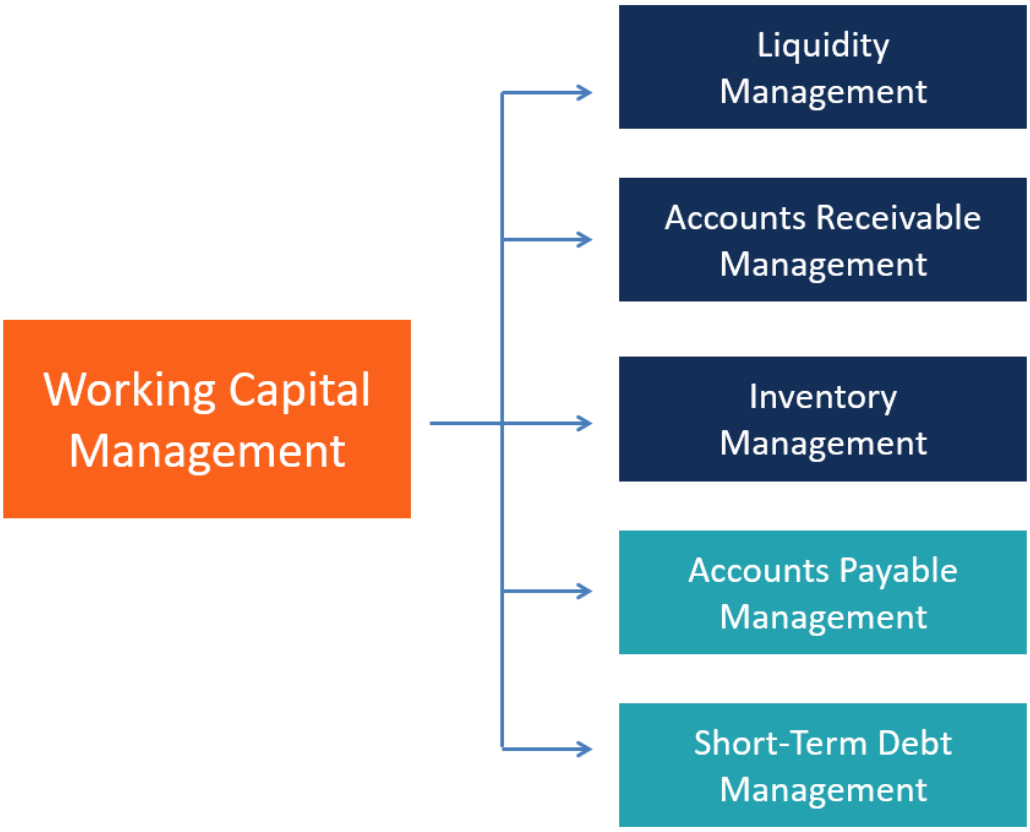
In order to meet short-term obligations and maximize the company's profitability, working capital management entails managing the company's current assets and liabilities. This entails handling short-term investments, cash, and accounts payable and receivable.

For IT Express Bangladesh, meeting financial obligations, investing in new projects, and financing ongoing operations all depend on efficient working capital management. The company can minimize the risk of insolvency, optimize cash flow and liquidity, and lower financing costs by implementing effective working capital management.

The working capital management of IT Express Bangladesh is significantly influenced by its cash management system. This system is intended to maximize the return on idle cash while simultaneously making sure the business has the appropriate amount of cash on hand to pay its short-term obligations.

Effectiveness is essential for any business, including IT Express Bangladesh, to maintain its financial stability and operational effectiveness. IT Express, a technology company based in Bangladesh, has particular opportunities and challenges when it comes to working capital management. In order to maximize financial performance and guarantee that the company has adequate liquidity to meet its operational demands, working capital management entails keeping an eye on the short-term assets and liabilities of the organization.

Working Capital Management



Sources: https://corporatefinanceinstitute.com/resources/accounting/working-capital-management/

3.1 .0 Liquidity Management:

A business can ensure that it has enough cash on hand to meet both regular and unforeseen needs by managing liquidity well. It matters because it affects a company's creditworthiness, and creditworthiness affects the possibility that a business will succeed or fail. When liquidity declines, a company's chance of going through financial distress rises, all other things being equal. However, an excessive amount of cash invested in low- or non-earning assets may be a sign of a misallocation of funds. An organization's capacity to quickly and efficiently produce the cash resources necessary to fund its operations as well as the right amount of cash are signs of good liquidity management.

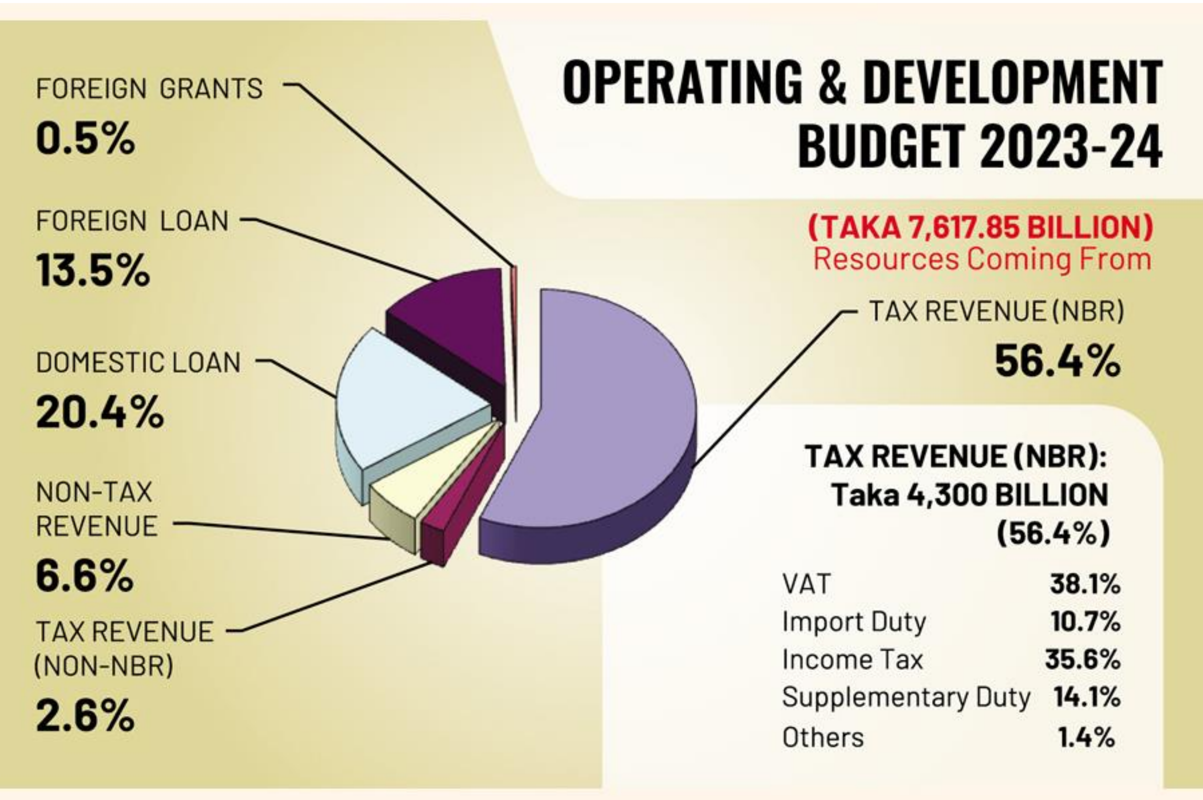
3.1.1 Cash Management:

In order to guarantee that it has sufficient funds to pay for its regular operating costs, including payroll, rent, and utility bills, IT Express Bangladesh must efficiently handle its cash flow. This entails keeping cash reserves at the ideal level and using extra money to invest in short-term, low-risk investments in order to earn returns.

The cash management system of IT Express Bangladesh likely includes the following components:

1. Cash Forecasting: IT Express Bangladesh may use cash predict. By analyzing historical trends and future business activities, the company can estimate its cash requirements and adjust its cash management strategies accordingly.

2. Cash Budgeting: IT Express Bangladesh likely creates a cash budget to plan and allocate cash resources effectively. This involves setting targets for cash reserves, monitoring actual cash flows, and identifying any deviations from the budgeted amounts.

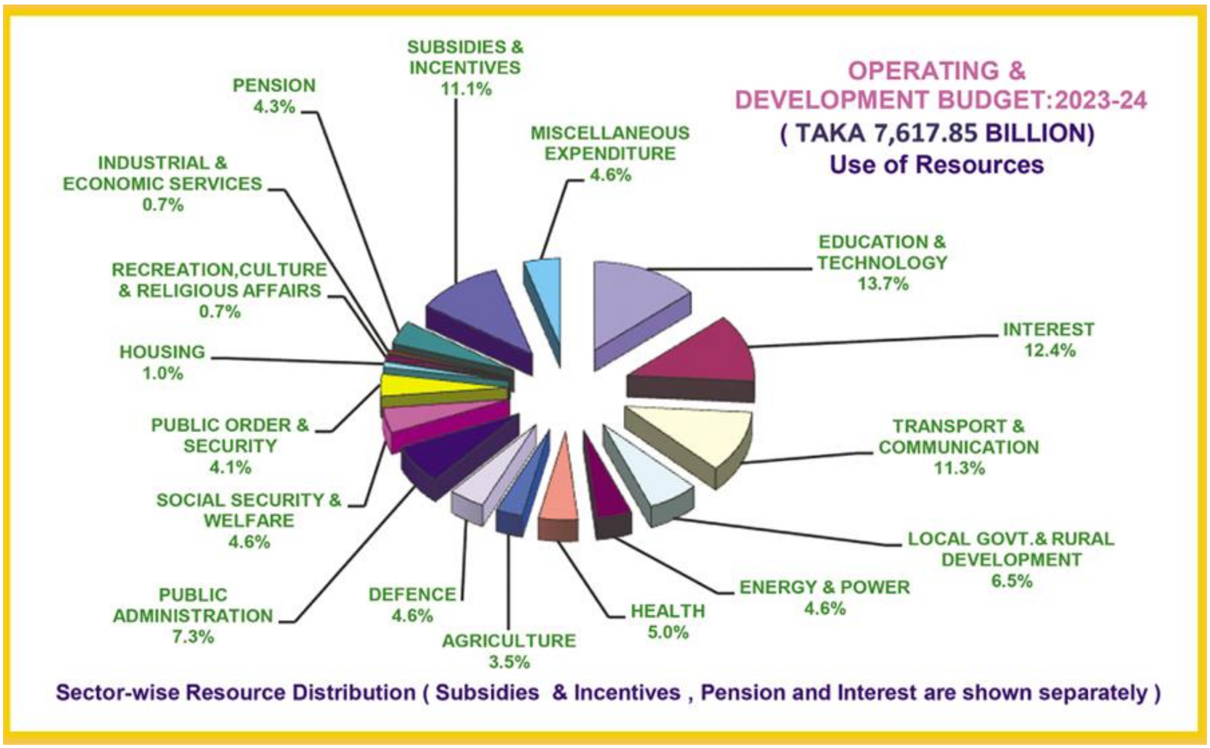


Source: https://thefinancialexpress.com.bd/views/analysis/2023-24-budget-current-challenges

Many challenges are facing us at the moment. The lack of foreign exchange reserves, gas, electricity, and other necessities has made life miserable for the average person and led to a situation in trade and commerce that resembles a standstill. The general state of the economy is declining and the unemployment rate is progressively rising. AHM Mustafa Kamal, the finance minister, unveiled a Tk 7.61 trillion budget for the fiscal year 2023–24, with the goal of growing the GDP by 7.5% while maintaining a 6.0 percent average rate of inflation.

The proposed spending is 15.33% more than the updated budget for the previous fiscal year. That sum amounts to 15.21% of Bangladesh's total GDP. The 5.2% GDP deficit (the difference between revenue and expenses) in the budget is still a record. The government is asking for a loan of Tk 1.02 trillion (1 lakh two thousand 490 crores). The remaining amount will be covered by internal funding.

The budget for the current fiscal year (2022–2023) was presented along with the noted domestic shocks and the state of the world economy. However, we made the assumption that inflation would be 5.4% and GDP growth would be 7.5%, respectively. We anticipated that neither the exchange rate nor our US$ 46 billion in foreign exchange reserves would fluctuate. However, the budget's assumptions did not line up with reality. When one bases their budget on wish rather than reality, this occurs.



Source: https://thefinancialexpress.com.bd/views/analysis/2023-24-budget-current-challenges

The projected budget for the fiscal year 2023–2024 differs significantly from reality in terms of GDP, inflation, and other factors. The objectives are very lofty and might not be met because of faulty presumptions. There was concern that foreign investment in the private sector would decline as a result of Bangladesh's credit rating being downgraded by international credit rating agency Moody's. This will significantly harm import-export trade in addition to lowering private investment. According to Moody's rating, analysts worry that the supply of foreign currency will continue to decline.

As the country's credit quality has decreased in Moody's rating, the rating of the country's banks would deteriorate, against which the guarantee of a third foreign bank is required to be conditional to open an import LC. This will increase business costs, and erode the price competitiveness in local and international trade that would trigger inflation. The foreign investment in the private sector may be at stake as foreigners will be skeptical about getting their money back by investing.

The capital market has already seen a large withdrawal of foreign investments. That entire investment is a long way off. The raw materials required to keep the factories operating cannot be imported as needed because of the dollar crisis. Private investors are currently attempting, through a variety of means, to bring dollars through buyers' credit. It will now be hindered by the rating from Moody's. As a result, it has increased economic anxiety, particularly given the economy's high exposure to foreign exchange and liquidity risk.

3. Receivables Management: Optimizing cash flow requires efficient accounts receivable management. IT Express Bangladesh might have put policies and practices in place to speed up receivables collection, like strict credit policies or discounts for early payments.

Invoicing

Timely and easily comprehensible invoice issuance is a crucial component of accounts receivable management. If something goes wrong, it should be fixed right away to keep the debtor from using it as a justification for not making payments. Internet service provider IT Express Bangladesh. Customers provide them with recurring monthly revenue. They consistently provide customers with invoices that are delivered both accurately and on time.

a) **Statements**

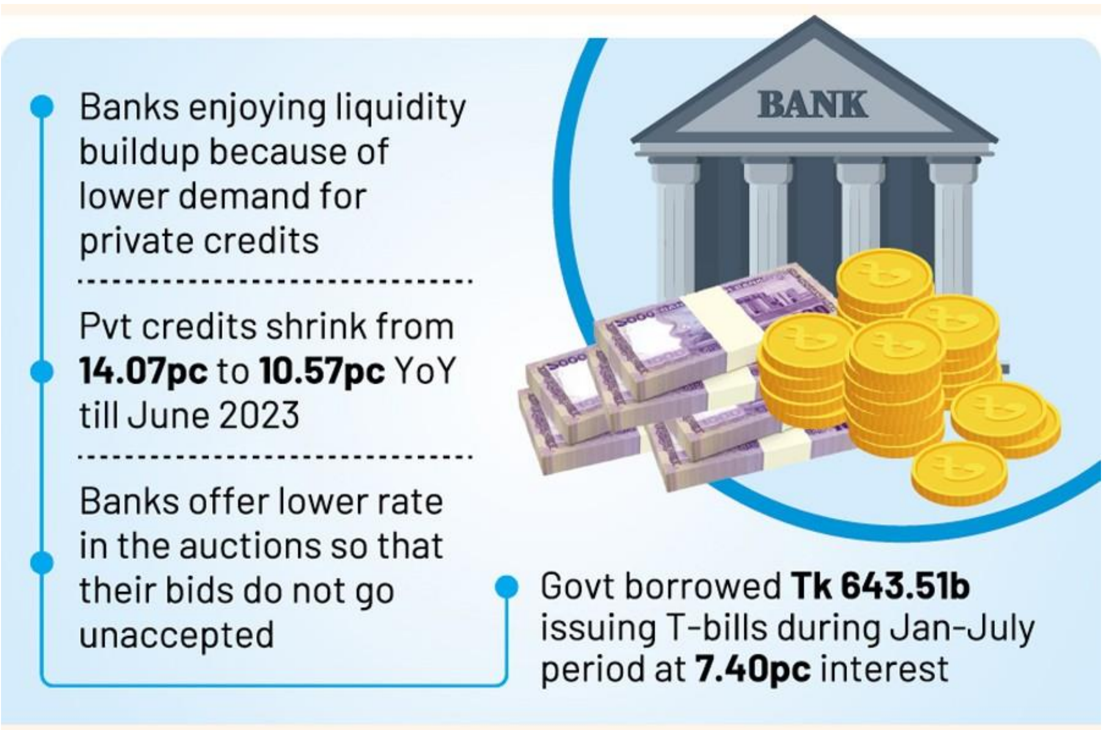
Within five days following the end of the month, statements must be sent to every debtor. This gives the debtor another chance to make the payment and acts as a reminder of the outstanding balance. The statement and invoice are issued jointly.

b) Asking for payment

Keeping a record of all correspondence with a customer under credit monitoring is crucial as it will improve the chances of getting paid. Emails and letters are helpful documentation for showing the amount owed and alerting the debtor to the impending payment. Requesting payment via the internet is among the most popular ways to get paid. It is important that you have prior experience when requesting to pay by phone. Generally speaking, we have to always demand payment, act in a courteous yet firm manner, and keep a professional manner. Calls are still recorded on audio cassette.

4. Payables Management: A further crucial component of cash management is accounts payable management. In order to maximize cash outflows, IT Express Bangladesh may bargain with suppliers for advantageous payment terms, benefit from early payment discounts, and keep a careful eye on its payables.

5. Short-Term Investments: IT Express Bangladesh may invest its idle cash in short-term, low-risk investment vehicles to earn a return on surplus funds. These investments can provide an additional source of income while maintaining liquidity.



Source: https://thefinancialexpress.com.bd/economy/bangladesh/banks-now-inclined-to-invest-in-short-term-securities

Fast-gain Treasury bills with a maturity date of 91 days are in high demand right now because banks are inclining to make cautious investments in short-term securities while calculating their pre-election risk. According to sources, the discovery that these government securities with shorter maturities had the least amount of "high-powered money," or print money, circulated in the economy through government borrowing from the central bank, is another factor driving the switch.

According to officials and participants in the market, the primary dealer banks, which the banks use to buy risk-free investment instruments through auctions hosted by the Bangladesh Bank (BB), are less inclined to invest in long- and medium-term government securities this election year, primarily to avoid the macroeconomic strain.

According to one of the sources, "banks invest in the 91-day T-bills for additional reasons, including available gains of interest from investing in the short government securities."

Consequently, they say, banks that have recently benefited from a build-up of liquidity due to a decline in the demand for private sector credits are investing as much of their funds as possible in short-term public securities, particularly in the 91-day T-bill window.

According to data provided by the national bank, the government borrowed Tk 643.51 billion between January 2023 and July by issuing 91-day T-bills.

However, during this time, the central bank injected Tk 166 billion in print money through the devolvement mechanism, which represents 26% of the total requirements, whereas the average amount of newly circulated money injected into all government securities is 40%.

A BB official, who wished to remain anonymous, stated that the PDs are more drawn to short-term T-bills. To ensure that their bids are accepted, they therefore offer a lower rate during the auctions. Given that it is an election year, the banks appear to be exercising extreme caution when making investments in mid-and long-term government securities. Thus, the banks are reluctant to make longer-term investments," the official continues.

The managing director and chief executive officer (CEO) of a private commercial bank also spoke on the condition of anonymity, stating that the recent decline in the demand for credit by the private sector was caused by factors such as rising import costs, import restrictions, macroeconomic volatility both domestically and globally, and "looming election-related instability." Additionally, in this election year, the banks are also lending extremely cautiously. For banks, therefore, buying risk-free government securities is a wise move. This is most likely the cause."

6. Banking Relationships: IT Express Bangladesh likely maintains strong relationships with banks to streamline its cash management activities. The company may utilize various banking services such as cash concentration, lockbox services, and electronic funds transfers to optimize its cash position.

7. Cash Control Policies: IT Express Bangladesh likely has established internal controls and policies to safeguard its cash assets. These may include segregation of duties, approval processes for cash disbursements, and regular reconciliations of cash accounts.

Overall, effective working capital management and a robust cash management system enable IT Express Bangladesh to improve its financial health, enhance its operational efficiency, and support its long-term growth and sustainability. By optimizing its cash position and liquidity, the company can better navigate the dynamic business environment and capitalize on new opportunities.

3.1.2. Accounts Receivable Management:

Given that IT Express likely offers technology services or products to its clients, it's important to efficiently manage its accounts receivable. This includes implementing effective credit policies, invoicing promptly, and payments to improve cash inflows.

Accounts Receivable Management of IT Express Bangladesh:

For IT Express Bangladesh. The company likely implements several strategies and best practices for managing its accounts receivable, including:

- **Credit Policies:** IT Express Bangladesh may have established clear credit policies to evaluate. This can involve establishing payment terms, credit limits, and credit checks.
- **Invoicing Processes:** The company likely has efficient and timely invoicing processes to ensure that invoices are sent promptly and accurately. This can shorten the average collection period and hasten the collection of receivables.
- **Collections Management:** IT Express Bangladesh may have dedicated resources or systems in place to manage collections effectively. This can involve sending reminders, making collection calls, and negotiating payment arrangements with customers.
- **Customer Relationships:** Developing enduring connections with clients can also facilitate timely payments. IT Express Bangladesh may prioritize communication and transparency to address any billing issues promptly and maintain positive relationships with its clients.

3.1.3 Inventory Management:

Depending on the nature of its operations, IT Express needs to manage its inventory effectively. This may involve balancing the need to have sufficient hardware or software products on hand while avoiding.

Inventory Management of IT Express Bangladesh:

Ensuring efficient operations. IT Express Bangladesh likely employs various inventory management practices, such as:

- Demand Forecasting: The business can predict customer demand and modify its inventory levels by using demand forecasting techniques. Stockouts can be prevented and excess inventory reduced as a result.

- Just-in-Time (JIT) Inventory: IT Express Bangladesh may adopt JIT inventory practices to minimize carrying costs and optimize inventory exchange rate. Through inventory level alignment with actual demand, the business can lower holding costs and enhance cash flow.

- Inventory Tracking: Utilizing inventory tracking systems and technologies, such as barcoding and inventory management software, can help IT Express Bangladesh monitor its inventory levels, reconcile discrepancies, and identify slow-moving or obsolete inventory.

- Supplier Relationships: Strengthening relationships with suppliers can also contribute to effective inventory management. IT Express Bangladesh may negotiate favorable terms, streamline procurement processes, and collaborate with suppliers to improve supply chain efficiency.

3.1.4 Accounts Payable Management:

IT Express must also manage its accounts payable to optimize its working capital. This involves while maintaining strong vendor relationships.

Accounts Payable Management of IT Express Bangladesh:

Effective management of optimizing cash flow, and managing working capital. IT Express Bangladesh likely employs the following strategies for managing its accounts payable:

- Payment Terms: The business and its suppliers may agree on advantageous terms for payments, such as longer terms or early payment discounts. This can help optimize cash flow and enhance the company's financial flexibility.

- Vendor Management: IT Express Bangladesh likely maintains strong relationships with its vendors to streamline procurement processes and negotiate favorable terms. Building strong vendor partnerships can lead to improved supply chain efficiency and cost savings.

- Invoice Processing: The company likely has efficient invoice processing workflows to ensure timely and accurate payment of invoices. This can include automation and digitization of invoice handling processes to reduce manual errors and expedite payments.

3.1.5 Working Capital Financing:

IT Express may consider various financing options to support its working capital needs, financing. These financing solutions can provide additional liquidity to fund operations and growth initiatives.

Working Capital Financing of IT Express Bangladesh:

IT Express Bangladesh may utilize various sources of working capital financing to fund its operational needs and growth initiatives. This may include:

- Trade Credit: The company may negotiate favorable to effectively utilize trade credit as a source of short-term financing.

- Bank Financing: IT Express Bangladesh may secure or revolving credit facilities from financial institutions to fund working capital requirements.

- Factoring: The company may utilize accounts receivable factoring funds by selling its receivables to a third-party financial institution.

- Trade Finance: IT Express Bangladesh may utilize trade finance instruments such as to facilitate international trade transactions and manage working capital needs associated with import/export activities.

3.1.6 Planning for Seasonal Variations:

Given the potential for seasonal fluctuations in demand for IT products and services, IT Express should anticipate and plan for variations in its working capital requirements. This could involve building up cash sustain operations.

Planning for Seasonal Variations of IT Express Bangladesh:

To address seasonal variations in demand and business activities, IT Express Bangladesh likely engages in proactive planning and management. This may involve:

- Demand Forecasting: The company may utilize historical data and market insights to forecast seasonal variations in demand for its products and services. This can help guide production and inventory management decisions.

- Resource Planning: IT Express Bangladesh may adjust its staffing levels, production schedules, and marketing initiatives to align with seasonal fluctuations in demand.

- Cash Flow Planning: Anticipating seasonal variations in cash flow, the company may develop contingency plans to ensure sufficient liquidity during periods of reduced revenue or increased expenses.

3.1.7 Technology Solutions:

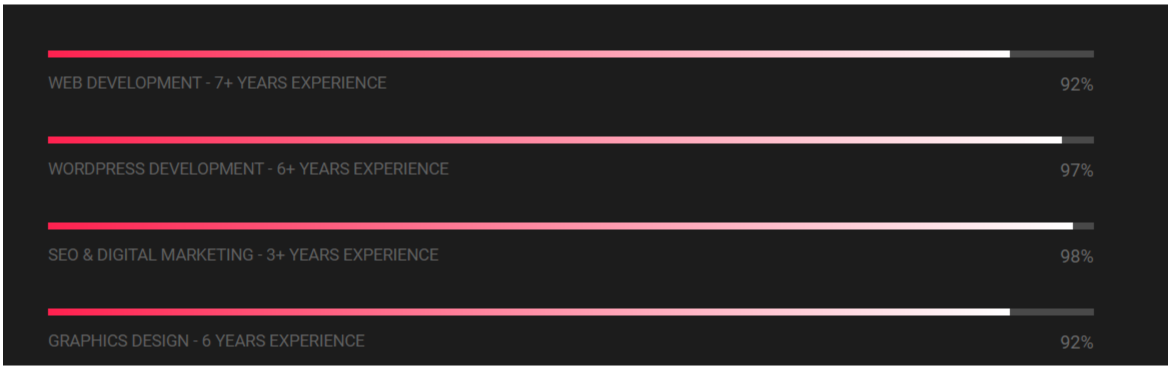
Technology such as treasury management systems and accounting software can be utilized by IT Express to streamline its working capital management processes, improve visibility into cash flows, and make data-driven decisions.

Technology Solutions of IT Express Bangladesh:

As an IT company, IT Express Bangladesh likely leverages a variety of technology solutions to enhance its operations and deliver value to its clients. This may include:

- Software Development: The company may offer custom software development services to build tailored solutions for clients across various industries.

We provide high quality and cost effective offshore web services.



Source: https://www.itexpressbd.com/about-us.php

- IT Consultancy: IT Express Bangladesh may provide consultancy services to help clients optimize their IT infrastructure, implement new technologies, and improve their overall IT performance.

- Digital Marketing: The company may offer digital marketing services, leveraging technology solutions to drive online visibility, engagement, and lead generation for clients.

3.1.8. Risk Management:

IT Express should also consider the risks associated with its working capital management, including currency risk, interest rate risk, and business-specific operational risks. Implementing risk mitigation strategies can help protect the company's financial stability.

Risk Management of IT Express Bangladesh:

Managing risks effectively is critical for sustainability of IT Express Bangladesh. The company may adopt comprehensive risk management practices, including:

- Identification and Assessment: It's possible that IT Express Bangladesh recognizes and evaluates a range of risks, such as compliance, financial, operational, and strategic risks. Involves conducting risk assessments, scenario analysis, and risk mapping exercises.

- Mitigation Strategies: The company likely develops methods for reducing risks that have been identified. Implementing internal controls, risk transfer strategies (like insurance), and emergency preparation may be necessary for this.

- Compliance and Governance: IT Express Bangladesh may have robust compliance and governance practices in place to ensure adherence to regulatory requirements, industry standards, and ethical guidelines.

- Continuity Planning: The company may develop business continuity plans to ensure resilience in the face of potential risks, including technology disruptions, supply chain interruptions, and market fluctuations.

IT Express Bangladesh can enhance its cash flow, strengthen its financial stability, and set itself up for long-term growth and success in the cutthroat and dynamic technology sector by managing its working capital well. This entails finding a middle ground between preserving sufficient liquidity and optimizing the use of its resources to support operational and strategic goals.

CHAPTER-4

FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

4.1 Findings

1. Receivables Management Problem:

Effectively managing accounts receivable issues appears to be crucial to optimize cash flow. IT Express Bangladesh may have policies and procedures in place to expedite receivables collection, like providing early payment discounts or putting in place strict credit policies when problems arise.

a. Shipment problem

IT Express Bangladesh has problems in generating recurring monthly revenue from clients, and they consistently fall short in providing clients with accurate and timely invoices.

b. Issues of Payables Management

A further crucial aspect of cash management is accounts payable management. IT Express Bangladesh is able to work with suppliers to secure advantageous terms, including discounts for early payment benefits noted. And there is the issue of closely monitoring its payables to optimize cash outflows.

c. Short-term investment problems

IT Express Bangladesh is facing problems in investing its idle investment vehicles to earn returns on surplus funds.

2 Working Capital Financing Problems:

IT Express faces various financing issues to meet its working capital needs, or invoice financing issues. These financing problems have additional problems in funding operations and growth initiatives.

The working capital financing problems of IT Express Bangladesh is:-

a. Trade credit problem

Companies face problems in using trade credit effectively as a source of short-term financing. And problems are observed in favorable payment terms with suppliers.

b. Bank financing issues

IT Express Bangladesh seeks short-term loans, lines of credit, or revolving issues from financial institutions to fund working capital requirements.

c. Factoring problem

Accounts receivable factoring appears to be somewhat problematic to access funds immediately after the company sells its receivables to a third-party financial institution.

d. Trade Finance Issues

IT Express Bangladesh issues trade finance tools, such as bank guarantees or credit to facilitate international trade transactions and manage working capital requirements associated with import/export activities.

4.2 Recommendation

1. Appropriate measures must be taken to effectively manage accounts receivable to optimize cash flow. IT Express Bangladesh may have policies and procedures in place to expedite Receivables collection strategies, like offering early payment discounts or taking steps to implement strict credit policies.

2. IT Express Bangladesh may produce recurring monthly revenue from clients and consistently send out invoices to clients on time and accurately.

3. To maximize cash outflow, they might bargain with suppliers for advantageous payment terms, take advantage of early payment discounts, and keep a careful eye on its payables.

4. They should invest its idle cash in short-term, low-risk investment vehicles to earn returns on surplus funds. These investments can provide an additional source of income while maintaining liquidity.

5. They may consider various financing options to meet its working capital needs. These financing solutions can provide additional liquidity to fund operations and growth initiatives.
6. The companies can negotiate favorable to effectively use trade credit as a source of short-term financing, you should negotiate payment terms with suppliers.

7. The company can secure revolving credit facilities from financial institutions to fund working capital requirements.

8. Company can use accounts receivable factoring to access funds immediately by selling its receivables to a third-party financial institution.

9. IT Express Bangladesh can use trade finance instruments like credit or bank guarantee to facilitate international trade transactions and manage working capital needs associated with import/export activities.

4.3 Conclusion:

Bangladesh is a developing market and an emerging source for IT Express Bangladesh outsourcing destinations. The majority of them are the result of inadequate knowledge, expertise, and national investment. As long as the IT Express Bangladesh outsourcing sector successfully navigates its obstacles, it has a very bright future. For all of these plans and initiatives to be successful, there must be a cooperative action plan in place to rank the barriers that this sector faces, as determined by this study and other studies, and carry out specific follow-up actions. In conclusion, the operational effectiveness, financial stability, and capacity of IT Express Bangladesh to provide value to its customers and stakeholders are contingent upon the company's approaches to accounts receivable, inventory, accounts payable, working capital financing, seasonal variation planning, technology solutions, and risk management. IT Express Bangladesh can improve its competitiveness and more skillfully navigate the ever-changing business landscape by implementing efficient strategies and best practices in each of these areas.

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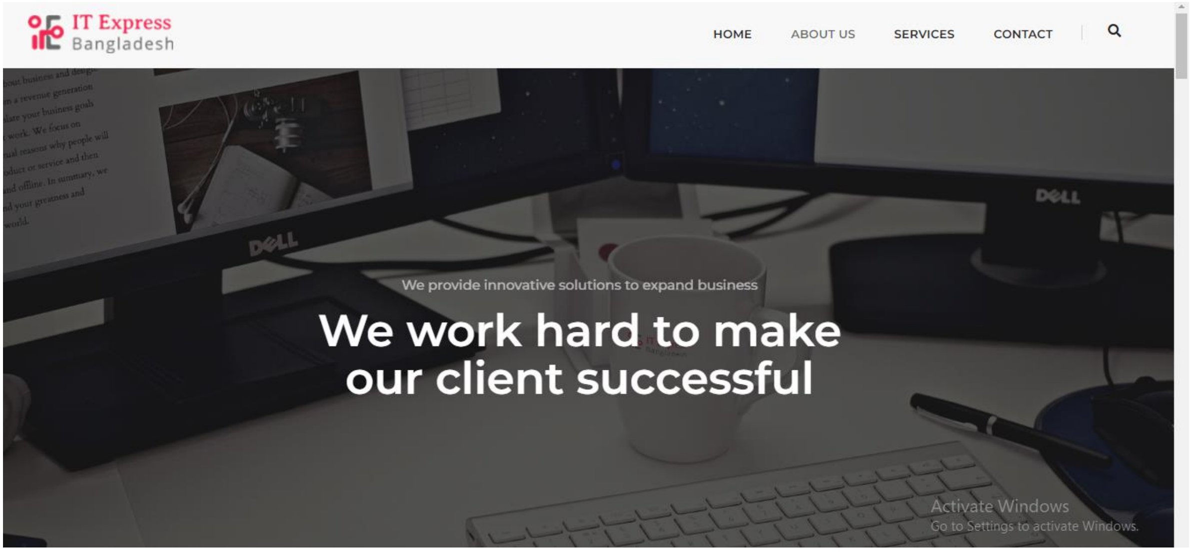
APPENDIX



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